

Feds probe Uber's tracking of Lyft drivers (Update)

September 8 2017, by Tom Krisher And Tom Hays



In this March 15, 2017, file photo, a sign marks a pick up point for the Uber car service at LaGuardia Airport in New York. The Justice Department in Manhattan is investigating whether Uber illegally used software to track drivers for Lyft, its main ride-hailing competitor, to gain an advantage in attracting and recruiting drivers, according to two people familiar with the probe. The FBI and the U.S. Attorney's Office in New York's Southern District want to know if use of the software, which created fake customer accounts, broke any federal laws, said the people, who didn't want to be identified because they were not authorized to discuss the case publicly. An Uber spokeswoman said Friday, Sept. 8 it is cooperating in the probe and that use of the software has been discontinued. The U.S. Attorney's Office would not comment on the case. (AP

Photo/Seth Wenig, File)

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An Uber spokeswoman said Friday it is cooperating in the probe and that use of the software has been discontinued. The U.S. Attorney's Office would not comment on the case.

The investigation adds to mounting legal problems for Uber, including allegations of corporate espionage involving autonomous vehicle technology and at least one other federal investigation into use of software to thwart local government efforts to monitor its operations. Earlier this year, Uber's board ousted co-founder and CEO Travis Kalanick in a move to fix cultural problems within the company. Last month it replaced him with former Expedia CEO Dara Khosrowshahi, who has inherited the legal troubles.

The latest probe apparently centers on software known inside Uber as "Hell." A federal class-action lawsuit filed by a Lyft driver in San Francisco alleges that Uber developed the "spyware" that allowed it to pose as Lyft customers and gain access to its computer systems. The software let Uber access the location of up to eight Lyft drivers at one time and get their unique Lyft identification number. Uber then used

that number to track the drivers' locations, the lawsuit alleged.

Uber then matched the Lyft drivers' identities with Uber internal records to find drivers working for both services, and gave those drivers incentives to work mainly for Uber "thereby reducing the supply of Lyft drivers, which resulted in increased wait times for Lyft customers and diminished earnings for Lyft drivers," the lawsuit stated.

The lawsuit, which Uber said was recently dismissed, alleged that the practice violated the federal Wiretap Act. No dismissal paperwork is listed in federal court records, and attorneys for the plaintiff, Michael Gonzales, could not be reached Friday.

Uber attorneys, in a legal response to the lawsuit, said that Gonzales is alleging only that Uber used "commonly available software" to collect data that would be accessible to anyone using the Lyft app. "The communications were therefore 'readily available to the general public' and the Wiretap Act does not apply," the Uber lawyers wrote.

News of the investigation was reported earlier Friday by The Wall Street Journal.

Uber's other legal problems include a lawsuit filed by Waymo, the autonomous car unit spun off from Google, alleging that Anthony Levandowski, a former Google engineer, stole trade secrets before departing in January 2016 to found a robotic vehicle startup that Uber acquired seven months later.

The lawsuit maintains that Uber then transplanted the property into its own fleet of self-driving vehicles—a charge that Uber has adamantly denied. A federal judge overseeing the case has referred it to the U.S. Attorney in San Francisco for possible criminal investigation.

Uber also is under federal investigation over allegations that it used phony software to prevent city officials from looking into whether the company was following local regulations. Local officials in Portland, Oregon, and Philadelphia confirmed that they were told by federal authorities of the investigation.

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