

Verizon says Yahoo data breach had a 'material' impact

October 13 2016, by The Associated Press



This Tuesday, Jan. 11, 2011, file photo shows the Verizon logo, in New York. Verizon Communications plans to close call centers in five states, including New York where the impending loss of hundreds of jobs has drawn sharp rebuke from the Cuomo administration. The New York-based telecommunications company announced late Wednesday, Oct. 12, 2016, that it's consolidating operations at some of its call centers, a move that will impact about 3,200 workers in New York, Maine, Nebraska, Connecticut and and Rancho Cordoba, Calif. (AP Photo/Mark Lennihan, File)

Verizon's top lawyer says it now has reason to believe Yahoo's recently disclosed data breach has a "material" impact on Verizon's pending \$4.8 billion acquisition of Yahoo. That leaves open the possibility that Verizon could seek a change in the price or other terms.

A Verizon spokesman confirmed that Craig Silliman, general counsel at Verizon, made the comments to reporters during a roundtable discussion Thursday. "I think we have a reasonable basis to believe right now that the impact is material and we're looking to Yahoo to demonstrate to us the full impact," he said.

Silliman didn't say whether Verizon will seek a price reduction, but added that Yahoo will have to convince Verizon if it doesn't believe the breach of at least 500 million users' [email accounts](#) had a significant impact on its business.

Earlier this week, Verizon CEO Lowell McAdam said his company was investigating but vowed Verizon wouldn't walk away from the deal.

Yahoo said in a statement Thursday that it is confident of the company's value and that it is still working toward integrating with Verizon. The deal was expected to close by the end of March 2017.

The security issue could worsen Yahoo's problems: Users were already declining, and so was revenue. Verizon had wanted Yahoo's popular sites to combine with AOL's [advertising technology](#) to help it build a digital-ad company that could compete with industry behemoths Google and Facebook. Verizon bought AOL in 2015.

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Citation: Verizon says Yahoo data breach had a 'material' impact (2016, October 13) retrieved 21 September 2024 from

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