



STATE OF NEW YORK
OFFICE OF THE ATTORNEY GENERAL
120 BROADWAY
NEW YORK, NY 10271

ERIC T. SCHNEIDERMAN
ATTORNEY GENERAL

(212) 416-8050

May 10, 2013

VIA ELECTRONIC & EXPRESS MAIL

Eric Schmidt
Executive Chairman
Google Inc.
1600 Amphitheatre Parkway
Mountain View, CA 94043

Dennis Woodside
Chief Executive Officer
Motorola Mobility
600 North U.S. Highway 45
Libertyville, IL 60048

Dear Messrs. Schmidt and Woodside:

My office has been exploring the surge in thefts of iPhones and other handheld electronic devices in New York City and throughout the State of New York. Many of these devices run on Google's Android operating system and/or are manufactured by Motorola Mobility, a wholly owned subsidiary of Google.

Given the publicly advertised statements of Motorola Mobility with regard to theft of its mobile devices, and the New York State Attorney General's responsibility to enforce deceptive trade practices statutes, including without limitation Executive Law §63(12) and General Business Law §349, I would like to know what Google and Motorola Mobility are doing to combat this growing public safety problem. Further, I write to ask that you collaborate with my office to develop a comprehensive approach to discourage theft, protect your customers, and fulfill Motorola Mobility's expressed commitment to making its products "safe to use."¹

¹ <http://responsibility.motorola.com/index.php/consumers/>

In particular, I seek to understand why companies that can develop sophisticated handheld electronics and operating systems, such as the products sold by Google and Motorola Mobility, cannot also create technology to render stolen devices inoperable and thereby eliminate the expanding black market on which they are sold. I would be especially concerned if device theft accrues to your companies' financial benefit through increased sales of replacement devices. A recent study found that lost and stolen cell phones cost consumers over \$30 billion last year.²

In New York City, theft of Apple products has driven much of the increase in electronics thefts. Between January 1 and September 23, 2012, a total of 11,447 cases of stolen "iDevices" (iPhones and other iOS devices) were reported to the New York City Police Department (NYPD), a rise of 3,280 over 2011.³ In fairness, the problem is not limited to Apple. A 2011 NYPD analysis found that companies other than Apple manufactured roughly 30% of all electronic devices stolen on subways and buses.⁴ These include devices manufactured by Motorola Mobility and devices run on the Android operating system.

In too many cases, these incidents turn violent. Consider some recent examples:

- On April 19, 2012, a 26-year-old chef at the Museum of Modern Art was killed for his iPhone on his way home to the Bronx.⁵
- In April 2012, twenty-year-old Alex Herald was stabbed during an iPhone theft.⁶
- In September 2012, in three separate incidents, women were violently attacked for Apple and Samsung devices.⁷
- In February 2013, three people were stabbed on a subway platform in Queens in a fight over an iPhone.⁸
- Earlier this month, a woman was mugged at gunpoint in Crown Heights for her Android device.⁹

Your public representations indicate a clear awareness of this problem and suggest that you have taken measures to address it. The "Corporate Responsibility" section on Motorola Mobility's website includes a page entitled, "Consumers," which states: "Consumers expect our products to be innovative, effective, engaging, environmentally conscious and safe to use."¹⁰ The "Mobile Theft" page on Motorola Mobility's website asserts that in the event that "a mobile

² <http://www.businesswire.com/news/home/20120322005325/en/Lookout-Projects-Lost-Stolen-Phones-Cost-U.S.>

³ http://news.cnet.com/8301-13579_3-57519902-37/iphone-ipad-thefts-jump-40-percent-in-nyc/

⁴ <http://www.nydailynews.com/new-york/nypd-thefts-smartphones-ipads-prevalent-cash-criminals-turn-focus-electronics-article-1.987406>

⁵ http://www.huffingtonpost.com/2013/03/06/apple-picking-stolen-iphones_n_2818488.html

⁶ http://www.huffingtonpost.com/2013/03/06/apple-picking-stolen-iphones_n_2818488.html

⁷ <http://newyork.cbslocal.com/2012/09/21/nypd-looking-for-violent-smartphone-robbery-suspect-in-astoria/>

⁸ http://www.huffingtonpost.com/2013/02/05/brief-nypd-3-stabbed-on-queens-subway-iphone_n_2620347.html

⁹ <http://crownheights.info/crime/384045/woman-mugged-at-gun-point-on-president-street/>

¹⁰ <http://responsibility.motorola.com/index.php/consumers/>

phone is stolen and reported missing,” the phone’s International Mobile Equipment Identity number “helps to prevent the phone’s access to the network, making it unusable.”¹¹

I am concerned, however, that these representations, which drive sales and create good will with customers, do not tell the full story and that Google and Motorola Mobility have not provided safeguards that would truly deter theft and thereby protect the safety of your customers. As the “Mobile Theft” page subsequently acknowledges, “It is the operators’ responsibility to check the IMEI database.” This is more than a technical matter or a gap that is limited to rare instances where “stolen phones are sometimes shipped to and used in countries where the guidelines are not enforced.” Foreign trafficking of stolen devices has proliferated, and an abundance of domestic black market resellers, including right here in New York, means as a practical matter that phones do not, contrary to your website’s assertion, become unusable.

Please designate appropriate representatives from Google’s Android division and Motorola Mobility to meet with attorneys in my office to discuss your existing efforts in this area. In addition, I am inviting the industry’s leading handset manufacturers and operating system developers to work with my office to develop better solutions to this escalating problem. Lookout, Inc., which has broad expertise in mobile security, has agreed to advise us on this work and help us find solutions. We hope and would expect that Google and Motorola Mobility will engage meaningfully in this process.

Please contact me at your earliest convenience.

Very truly yours,



ERIC T. SCHNEIDERMAN
Attorney General of the State of New York

¹¹ <http://responsibility.motorola.com/index.php/consumers/mobiletheft/>