

# State of Connecticut

GEORGE JEPSEN  
ATTORNEY GENERAL



Hartford

January 20, 2012

*Sent via first-class mail and email*

Tony Hsieh  
Chief Executive Officer  
Zappos.com  
2280 Corporate Circle  
Henderson, NV 89074

Dear Mr. Hsieh:

I write on behalf of myself and the Attorneys General of eight other states, including those from Florida, Kentucky, Massachusetts, North Carolina, New York and Pennsylvania<sup>1</sup>, concerning the recently reported unauthorized intrusion of parts of Zappos.com, Inc.'s internal computer network and systems, affecting as many as 24 million individuals and involving a wide array of personal information, including names, billing and shipping addresses, email addresses, phone numbers, and encrypted passwords. This incident raises serious concerns about the risk of identity theft, fraud, targeted email "phishing" or other scams, as well as the effectiveness of the company's measures to protect the confidentiality and security of private information that it receives from consumers.

Although this incident has received substantial public attention, we ask that you provide us further information so that we may evaluate the adequacy of the efforts Zappos has made to protect consumers' sensitive information from improper access, as well as its actions in response to this breach.

In particular, please provide detailed information explaining: (1) how Zappos discovered the intrusion, (2) how it determined that no financial or credit card data was compromised, (3) the precise nature of the information involved, (4) the total number of consumers affected, (5) the number of consumers affected from each of the following states: Connecticut, Florida, Kentucky, Massachusetts, North Carolina, New York, Pennsylvania, and any state joining in this letter that cannot be identified herein, (6) how consumer information is stored, including whether it is encrypted and whether it is separated from other data, (7) how long consumer information is stored by Zappos and whether any of this information is automatically deleted after a certain amount of time, and (8) the cause of the breach. In addition, please describe the internal security protections in place before the intrusion to protect the information of its customers from being

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<sup>1</sup> Due to state specific laws, two of the State Attorneys General cannot be identified in this letter.

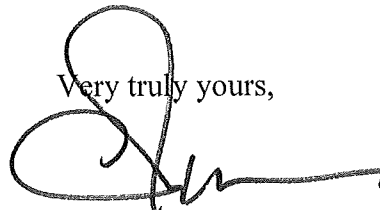
accessed without authorization, particularly under circumstances reportedly involved in this incident. Finally, please provide an outline of any plan you have developed to prevent the recurrence of any such incident and a timeline for implementing that plan.

We note that published reports indicate that Zappos has attempted to notify at least some of its customers of this incident and urged them to change their passwords. That advice is sound, and we encourage all efforts to convey it widely and quickly. However, other details concerning consumer and government notice remain unclear, including: (1) how many consumers were potentially affected and how many were notified, (2) how consumers were identified as having been affected or entitled to notice, (3) how notice was conveyed, (4) when consumers were or will be notified, (5) the precise content of the notice, and (6) when those state Attorneys General who require notice of the breach under their data breach notification statutes will be properly notified of the breach. We ask that you provide us this information, as well as explain the mechanism by which consumers can delete the information stored about them by Zappos.

Please provide this information no later than January 27, 2012, to Assistant Attorney General Matthew Fitzsimmons at 110 Sherman Street, Hartford, Connecticut 06105. The information will then be forwarded by AAG Fitzsimmons to the office of each of the Attorneys General on behalf of whom this letter is sent. Should you have any questions, you may contact AAG Fitzsimmons at (860) 808-5400 or [Matthew.Fitzsimmons@ct.gov](mailto:Matthew.Fitzsimmons@ct.gov).

We appreciate your cooperation in this matter and look forward to hearing from you.

Very truly yours,

A handwritten signature in black ink, appearing to read "G. Jepsen", with a long horizontal flourish extending to the right.

GEORGE JEPSEN

GJ/pas

c: Millie Chou, Chief Corporate Counsel ([mchou@zappos.com](mailto:mchou@zappos.com))  
Patrice Malloy ([Patrice.Malloy@myfloridalegal.com](mailto:Patrice.Malloy@myfloridalegal.com))  
Kevin Winstead ([kevin.winstead@ag.ky.gov](mailto:kevin.winstead@ag.ky.gov))  
Shannon Choy-Seymour ([shannon.choy-seymour@state.ma.us](mailto:shannon.choy-seymour@state.ma.us))  
Clark Russell ([Clark.Russell@ag.ny.gov](mailto:Clark.Russell@ag.ny.gov))  
Kimberly D'Arruda ([Kdarruda@ncdoj.gov](mailto:Kdarruda@ncdoj.gov))  
John Abel ([jabel@attorneygeneral.gov](mailto:jabel@attorneygeneral.gov))