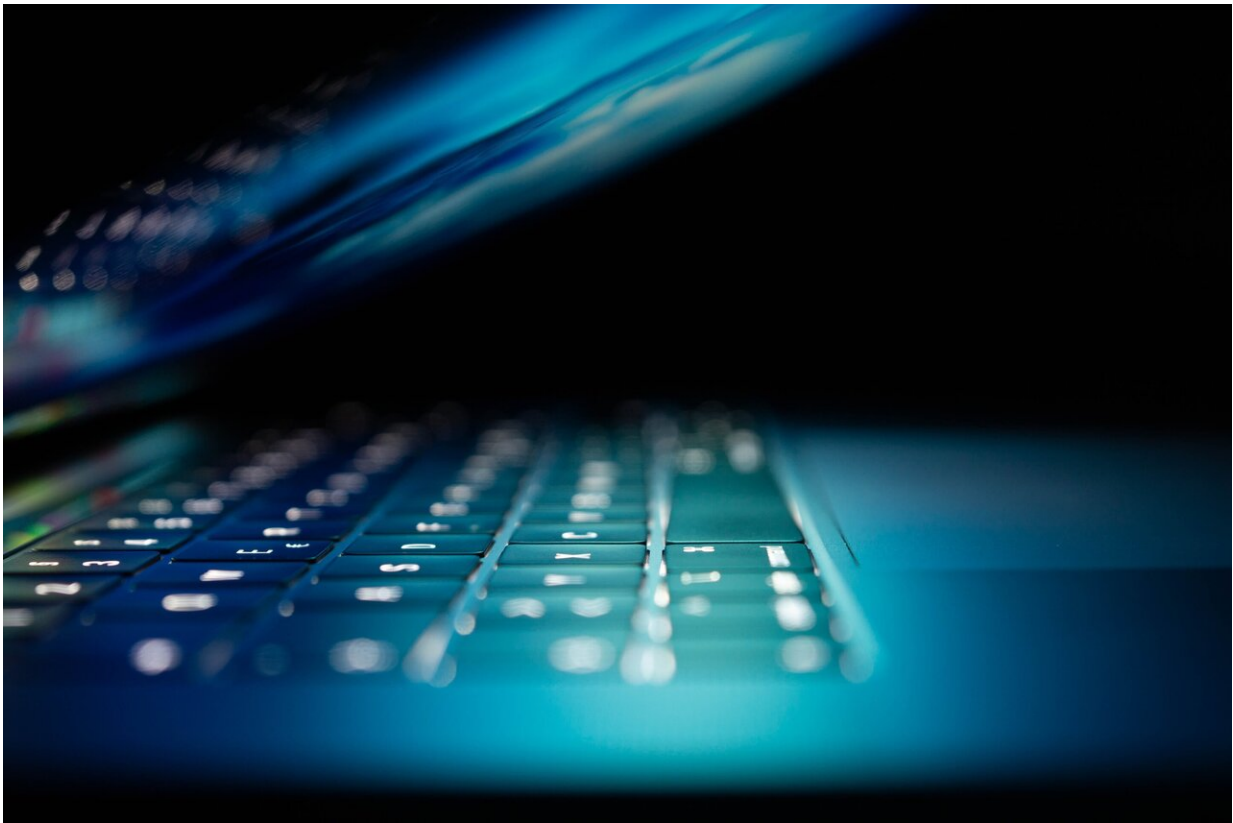


Drizly agrees to tighten data security after alleged breach

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Alcohol delivery app Drizly has agreed to tighten its data security and limit data collection to resolve federal regulators' allegations that its security failures exposed the personal information of some 2.5 million

customers.

The Federal Trade Commission announced the action Monday against Drizly, a Boston-based subsidiary of Uber that delivers beer, wine and spirits in states where it's legal, and partners with retailers in hundreds of cities around the US. The proposed consent agreement with the FTC also names Drizly CEO James Cory Rellas. The regulators allege that the company and Rellas were alerted to [security problems](#) two years before the 2020 breach yet failed to act to protect consumers' data.

Drizly agreed to put in a comprehensive [data security](#) program and establish security safeguards, and to limit future [data collection](#) or storage to that which is necessary for specific purposes. It will also destroy unnecessary data.

"Our proposed order against Drizly not only restricts what the company can retain and collect going forward but also ensures the CEO faces consequences for the company's carelessness," Samuel Levine, director of the FTC's bureau of consumer protection, said in a statement. "CEOs who take shortcuts on security should take note."

Drizly collects and stores on Amazon Web Services cloud-computing service a wide range of personal data from customers such as email and postal addresses, phone numbers, geolocation information and data purchased from third parties, according to the FTC.

"We take consumer privacy and security very seriously at Drizly, and are happy to put this 2020 event behind us," the company said in a statement.

The proposed consent agreement will be opened to public comment for 30 days, after which the FTC will decide whether to make it final.

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