

Nonprofit service provider Blackbaud settles data breach case for \$49.5M with states

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The fundraising software company Blackbaud agreed Thursday to pay \$49.5 million to settle claims brought by the attorneys general of all 50 states related to a 2020 data breach that exposed sensitive information from 13,000 nonprofits.

Health information, Social Security numbers and the financial information of donors or clients of the nonprofits, universities, hospitals and [religious organizations](#) that the company serves was the type of data that was exposed in the breach, according to Indiana Attorney General Todd Rokita, who co-lead the investigation with Vermont.

Blackbaud, which offers software for fundraising and data management to nonprofits, first publicly acknowledged that an outside actor had gained access to its data on July 16, 2020, but downplayed the extent and sensitivity of the information that had been stolen, the attorneys general said. Over a million files were exposed in the breach.

The company paid the intruder a ransom in exchange for deleting the data.

Blackbaud agreed to strengthen its data security practices, improve customer notification in the event of another breach and to have an outside party assess its compliance with the terms of the settlement for seven years, the [settlement said](#).

The company did not admit any wrongdoing under the terms of the agreement. Blackbaud did not immediately respond to a request for comment.

Indiana will receive almost \$3.6 million under the terms of the settlement, the most of any state, Rokita's office said.

In March, the U.S. Security's and Exchange Commission said it settled charges against Blackbaud for misleading investors about the nature of the information that was stolen. After initially saying that bank information and Social Security numbers were not accessed in the breach, employees of the company found that it had been but failed to notify senior leaders, the [SEC said](#).

The company agreed to pay a [\\$3 million fine](#) to the SEC but did not admit wrongdoing.

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