

Sock Retailer Bombas Agrees to Pay \$65,000 to NY over Data Breach

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Last week, the New York Attorney General's Office announced that Bombas had agreed to pay \$65,000 and implement a number of injunctive provisions to settle allegations that the sock startup failed to comply with the state's data breach notification statute. According to the [press release](#), Bombas learned in November 2014, that an unauthorized intruder had inserted malicious code designed to steal payment card information into its ecommerce platform. Bombas allegedly waited almost two months before remediating, and then mistakenly re-inserted the code into the website a few weeks later.

The company determined that the incident resulted in unauthorized access to the names, addresses, and credit card information of almost 40,000 customers nationwide, but did not notify those consumers until May 2018. New York's data breach notification statute requires that businesses provide notice of a breach of personal information "in the most expedient time possible and without unreasonable delay" to both the affected resident(s) and the Attorney General, the Department of State, and the Division of State Police.

The AG's Office has not made a copy of the settlement agreement public, but explains that the injunctive provisions are intended to help prevent future breaches and ensure compliance with the law, N.Y. Gen. Bus. Law § 899-aa. They include requirements for thorough and expeditious investigations into any future breaches and training for all appropriate officers, managers, and employees. This settlement highlights the importance of preparing for a breach, including developing and implementing policies and procedures that will allow the business to comply with the patchwork of state requirements in an efficient and timely manner.