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May 10, 2013

VIA ELECTRONIC & EXPRESS MAIL

Dale Sohn
President
Samsung Telecommunications America
1301 East Lookout Drive
Richardson, TX 75082

Dear Mr. Sohn:

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. Given Samsung's publicly advertised commitment to safety and security for its customers, 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 Samsung is 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 Samsung's expressed commitment to making its customers "as safe as possible."¹

In particular, I seek to understand why companies that can develop sophisticated handheld electronics, such as the products manufactured by Samsung, 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 company's 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

¹ <http://www.samsung.com/ie/article/protect-your-phone-and-yourself>

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

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, including Samsung, manufactured roughly 30% of all electronic devices stolen on subways and buses.⁴

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

Samsung has made clear public representations with regard to safety. The “Consumer” section of your website includes a page entitled, “Protect your phone and yourself,” which states: “Modern mobile phones are now incorporating innovative security features...to keep you, your content and your phone as safe as possible.”¹⁰

The impression to the consumer is that Samsung devices include an array of features that, together, ensure safety. This drives sales and creates good will with customers. I am concerned, however, that Samsung may have failed to live up to these representations, limiting its focus to information security, without providing safeguards that would truly deter theft and thereby protect the safety of your customers.

Please designate appropriate Samsung representatives to meet with attorneys in my office to discuss Samsung’s 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 Samsung will engage meaningfully in this process.

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://www.samsung.com/ie/article/protect-your-phone-and-yourself>

Please contact me at your earliest convenience.

Very truly yours,

A handwritten signature in black ink, appearing to read "Eric T. Schneiderman". The signature is fluid and cursive, with a prominent initial "E" and a long, sweeping tail.

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