

CITY OF OAKLAND



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October 1, 2024

HONORABLE CITY COUNCIL
Oakland, California

Subject: *Hada Gonzalez, David Martinez, Ira Bradford, Tim de la Vega and Brandon Ko, individually, and on behalf of all others similarly situated v. City of Oakland and DOES 1 through 100, inclusive*
Alameda County Superior Court Case No. 23CV031786
City Attorney File No. 35903
(Department of Information Technology – Data Breach)

Khalig Harrison, individually and on behalf of all others similarly situated v. City of Oakland and DOES 1 through 100, inclusive
Alameda County Superior Court Case No. 23CV046323
City Attorney File No. 36207
(Department of Information Technology – Data Breach)

Jessica K. Brown, Monica Cedillo Cipres, Luana Dawkins, Leroy Johnson, Amada Judge, April McFarland, Ametrius Sidney, Phyliss Smith, Jared Wagner, Taloria Young v. City of Oakland, and Does 1 through 100 inclusive
Alameda County Superior Court Case No. 23CV056502
City Attorney File No. 36251
(Department of Information Technology – Data Breach)

President Fortunato Bas and Members of the City Council:

Pursuant to Section 401 of the Charter, the City Attorney has prepared and requests your approval of a resolution authorizing compromise and settlement of the above-entitled lawsuits. These lawsuits arise from a significant ransomware incident that occurred on or about February 8, 2023, and resulted in the exfiltration of various private information of certain past and current City employees and members of the public. The threat actors who initiated the ransomware incident later posted this private information to the dark web. This incident resulted in two class action lawsuits, *Gonzalez* and *Harrison*, and a third lawsuit, *Brown*, filed by 10 individuals.

The *Gonzalez* and *Harrison* lawsuits are resolved on the following terms:

- (1) three years of three-bureau credit monitoring with fraud insurance to all class members;

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- (2) up to \$350 reimbursement for ordinary out-of-pocket expenses, and up to \$10,000 for extraordinary out-of-pocket expenses, with supporting documentation to all class members;
- (3) up to four hours at \$25 per hour for lost time, with no documentation required to all class members;
- (4) payment of \$175 to all past and current police officers whose data was exfiltrated, in recognition of the additional risks and harms associated with exposure of personally-identifiable information for police officers;
- (5) incentive payments of \$2,000 to each of the five named *Gonzalez* plaintiffs and the *Harrison* plaintiff;
- (6) payment for the costs of administering the settlement; and
- (7) payment of up to \$528,000 in attorneys' fees and costs to Plaintiffs' counsel.

The *Brown* lawsuit is resolved for payment of the sum of \$80,000.00. The settlements, as well as the City's legal defense costs, are covered by insurance procured through the City's risk-sharing pool.

The City has considered all the evidence, litigation costs, and litigation risks in these cases and has determined that it is in the City's best interest to settle these lawsuits without admitting liability or wrongdoing and to avoid further litigation.

The City Council authorized settlement of these cases in Closed Session on Thursday, September 19, 2024 (moved by President Pro Tem Dan Kalb and seconded by Councilmember Noel Gallo - 6 Ayes, 2 Excused – Councilmembers Janani Ramachandran and Treva Reid).

Respectfully submitted,



BARBARA J. PARKER
City Attorney

Assigned Attorney:
Kevin P. McLaughlin