**Why Uber's hacking scandal is worse than all the others**

* Uber's coverup of a massive data hack is a deserved public relations nightmare.
* This comes on the heels of the sexual harassment accusations that forced major firings at Uber earlier this year.
* Uber is facing a moment of truth. It needs to clean up its act, or get crushed.

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[](https://www.cnbc.com/2017/11/22/ubers-hacking-scandal-worse-than-equifax-commentary.html)

Matthew Staver | Bloomberg | Getty Images

Dara Khosrowshahi, CEO of Uber.

Uber made history and continues to do so by successfully disrupting a stale and often corrupt taxi industry across the world. But as Uber supplants one form of corruption, it's clearly fallen victim to another. And if the company doesn't clean up its act, the good it's doing to unshackle people pinned down by the constraints of traditional transportation will be lost and left for its imitators to continue.

The latest bit of corruption dogging Uber came to light Tuesday as the [company admitted](https://www.cnbc.com/2017/11/21/uber-hack-exposes-data-of-57-million-users-and-drivers-report-says.html) that it hid the fact that hackers breached and gained access to 57 million user accounts. To make matters worse, Uber also now says it paid hackers $100,000 to delete the data and keep the breach quiet, and did not report the incident.

In so doing, Uber moves from the lofty ranks of admirable disruptor to just another company doing what looks like a poor job or protecting its data and definitely doing a terrible job at handling the job of keeping its customers, investors, and the general public properly informed and prepared. This is essentially the same sin committed by [Equifax](https://www.cnbc.com/2017/10/02/equifax-2-point-5-million-more-consumers-may-be-affected-by-data-breach-than-originally-stated.html), [Target,](https://www.cnbc.com/2014/01/13/target-ceo-still-shaken-by-the-data-breach-vows-to-make-it-right.html) [Yahoo](https://www.cnbc.com/2017/10/04/how-the-yahoo-hack-stacks-up-to-previous-data-breaches.html) and many others.

"This is a company that doesn't just have your address and credit card information, but detailed data on your movements and general travel history."

But in some ways, a data breach at Uber is worse. This is a company that doesn't just have your address and credit card information, but detailed data on your movements and general travel history. A good hacker can find your home, and find where you are at any given time.

And that brings us to the second level of general corporate corruption that Uber has become a part of. That is the wave of sexual harassment and misconduct that is sweeping the nation right now. Actually, [Uber's problems with this issue](https://www.vanityfair.com/news/2017/06/uber-fires-20-employees-harassment-investigation) predate the fury that began this fall with the allegations surfacing against Hollywood Harvey Weinstein. "Way back" in June, the alleged culture of sexual harassment at Uber contributed greatly to the ouster of co-founder and CEO Travis Kalanick.

But again, in this case Uber's connection with sexual harassment problems is more damaging that it is for many other companies. We might be horrified by the accounts of abuse at the hands of big shots in Hollywood, the news media, or on Capitol Hill, but most of us don't fear we'll even be in those same offices or personally harassed by celebrities. It's different with Uber, where an entire company policy that is too lax on sexual harassment could easily be seen as trickling down to individual employees and the drivers to which millions of us hand our personal safety.

Another issue Uber has had to deal with are allegations that the company fights dirty. Those allegations gained significant traction last year, when it was found to have [hired an ex-CIA employee to dig up dirt on an opposing attorney in a lawsuit.](https://www.cnbc.com/2016/06/09/uber-hired-former-cia-officer-in-probe-of-lawsuit-opponent.html)

Put all of this together and you have a perfect storm with wind gusts that all push Uber into the same general public relations disaster area. How many times have we heard the old adage: "It's not the crime, but the coverup?" In Uber's case, the lack of public transparency seems to be habitual and a particularly troubling problem for a company that remains [one of Wall Streets most anticipated IPOs of all time.](https://www.cnbc.com/2017/05/18/ipo-watch-11-tech-companies-most-likely-to-go-public.html)

Make no mistake, Uber still has a big target painted on its back by corrupt politicians and crony capitalists all over the world. But that only means the company needs to be more careful about its public image. Coverups and dirt-digging operations are a foolish way to get the public on Uber's side for the many political and financial battles it has to come.

At stake here is more than just the fate of a valuable company. Corporate America's entire culture is being challenged by these hacking and sex harassment scandals and Uber is at the center of both. What Uber does to respond to it could set the tone for what we can expect in the future from all of our institutions.

Let's hope it makes the right turn.

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