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Uber Drivers Say \$130 Can Buy Clean Past as Rape Riles India

By Kartikay Mehrotra and Siddharth Philip - Dec 9, 2014

How much does it cost to buy a clean background check in <u>India</u>'s capital? Drivers for Uber Technologies Inc. say the equivalent of \$130.

Uber, one of the most highly valued U.S. technology startups, requires drivers in India to submit a character certificate endorsed by police. This can be obtained for a bribe regardless of qualifications, according to three drivers for the company. Police deny this.

The Dec. 6 rape of a 26-year-old office worker in a well-to-do section of New Delhi has sparked a national debate on how to regulate taxis, long considered one of India's safer options for getting around. Delhi banned Uber from operating and Prime Minister Narendra Modi's government has called on states to ban all web-based taxi services until stricter rules are in place.

"It's not very rare for this kind of thing to happen here," Raj Kumar, who started driving for San Francisco-based Uber three months ago, said of the rape. "This time, it's getting headlines because a foreign company is involved."

A document from police certifying good character can be bought for 8,000 rupees (\$130), Kumar said. A license and registration can be obtained without taking a driving test or passing a vehicle inspection for 4,000 rupees, he added. Two other Uber drivers in Delhi -- Manoj Shah and Kulbhushan, who goes by one name -- confirmed the prices.

Shiv Kumar Yadav, 32, the driver accused of rape, is a resident of the city of Mathura, 100 miles south of New Delhi. In August, he received a "character certificate" from Delhi police stating he had never been "involved in any criminal offense."

'National Shame'

Home Minister Rajnath Singh yesterday told lawmakers yesterday the document was a forgery. Uber lacked the local permit needed to operate legally in Delhi and will remain banned until it receives the necessary licensing, he said.

"Rape is a national shame," Singh said. He vowed to take "all steps" to ensure justice in the case, including closed-circuit cameras, clearer taxi regulation and phone helplines for women.

Yadav didn't comment to reporters when he showed up to court yesterday with his faced covered. He doesn't yet have a lawyer, according to police, who say he confessed to the crime under interrogation.

The victim, 26, told authorities that she fell asleep in the taxi and woke up to find the driver molesting her. He then threatened her with physical violence, sexually assaulted her and dropped her off at her home with a warning to not tell anyone about the incident, according to authorities.

Weak System

About half of Delhi's taxi drivers don't even need the police certificate to operate in the capital because they hold licenses from other parts of the country, according to Jaspal Singh, a partner at <u>Valoriser Consultants</u>, a Delhi-based company that advises on urban transportation.

"Everyone is asleep at the wheel, and no one is addressing the problem of safety and accountability," Singh said. "The system is weak and we don't have a stringent background check. It's very easy to play the system."

Upon being notified of the rape allegations, Uber provided authorities with the driver's name, photograph, bank-verified address and vehicle details, the company said in a blog post. Uber's website says it provides the "safest rides on the road" and conducts "background checks you can trust."

"We will work with the government to establish clear background checks currently absent in their commercial transportation licensing programs," Travis Kalanick, Uber's chief executive officer, said in a blog post. "We will also partner closely with the groups who are leading the way on women's safety here in New Delhi and around the country and invest in technology advances to help make New Delhi a safer city for women."

Police Certificate

The police certificate is a key elements of Uber's background check in India, which isn't as stringent as those required in the U.S., according to a person familiar with the situation, who asked not to be identified because he's not authorized to speak to the media. The company doesn't see how it can be blamed because the government approved Yadav's license, registration and character certificate, the person said.

"We're waiting for an official communication from the government about the ban," Uber spokesman Karun Arya said by phone yesterday. He declined to further comment on the case. Uber last week said it raised \$1.2 billion at a \$40 billion valuation to boost its international expansion.

'Bad Name'

Companies that hire drivers from other taxi businesses without a license are in violation of city law

and have discredited the business, according to India's Association of Radio Taxis, a cab lobby that doesn't represent Uber.

"Any and everyone should be welcome to operate in India, so long as they are working according to the law of the land," Rajiv Vij, founder-member of the taxi group, told reporters yesterday in New Delhi. "Violating the laws and rules governing the taxi industry have resulted in such heinous crimes taking place and bringing a bad name to the entire industry."

Yadav had been acquitted of a rape charge in 2011 after spending seven months in jail, according to Madhur Verma, Deputy Commissioner of Police for Delhi's north district. Police are also investigating Yadav for forgeries, Verma said.

Despite the prevalence of fake documents, Verma blamed companies like Uber for circumventing safeguards, even while saying the company has fully cooperated with the investigation.

Uber Drivers

"Why are people choosing Uber over a road-side taxi? Because they're told they won't be cheated or attacked when they hire an Uber," Verma said. "But not only have Uber executives acknowledged that they have not requested any background checks, they aren't asking all of their drivers for verification."

While the Uber app yesterday showed taxis still available in central New Delhi, drivers have been asked to stop picking up passengers until the situation is resolved, according to Kulbhushan, who has been working with the company since August.

"They've also asked us not to join any other companies yet," said Kulbhushan, who was earning four-times as much with Uber than with his previous employer. "It would be a major setback if I had to go back to my old job."

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