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Attorney General Marshall Announces Settlement of Bankruptcy Claims Against 23andMe Over Genetic Data Breach

(Montgomery, Ala) – Attorney General Steve Marshall joined a coalition of 42 attorneys general announcing a settlement with the bankruptcy trustee for 23andMe, resolving allegations stemming from a 2023 data breach that compromised the genetic data of 6.9 million customers worldwide. The settlement includes \$150 million in allowed claims for states.

Due to the finite amount of funds in the bankruptcy estate and numerous other claims, recovery is limited to \$18 million but will be paid out of available bankruptcy funds immediately. Of the \$18 million, Alabama will receive \$260,817. 23andMe also agreed to a \$46.75 million class-action settlement in the bankruptcy to provide relief to affected U.S. consumers who submitted claims by February 17, 2026.

“Last fall, we advised consumers to delete their accounts with 23andMe due to lack of accountability discovered within the tech company. While this settlement is a giant step in the right direction to begin to hold 23andMe accountable, it does not justify their actions,” stated Attorney General Marshall. “Protecting consumer data, especially that of personal genetics should be the highest security priority for these companies and the Attorney General’s Office will continue to ensure that Alabama law is complied with and that no more consumers face this exploitation.”

In October 2023, direct-to-consumer genetic testing company 23andMe announced that it had discovered a data breach in which 6.9 million consumers were affected, including 69,950 in Alabama. This data breach exposed a wide range of data about 23andMe customers, including in some cases genetic ancestry information, and subsets of this data were subsequently published for sale on the dark web.

23andMe learned about the breach months after impacted personal information was publicly available. 23andMe first denied a breach and then, once it confirmed the breach, blamed consumers for how their accounts were set up or how passwords were used. 23andMe initially accepted no responsibility for the credential stuffing breach, which was particularly egregious considering 23andMe’s partnership with MyHeritage, which itself was compromised years prior to the breach, exposing thousands of credentials shared between the websites.

In the immediate aftermath of the data breach the Attorneys General formed a multistate investigation and found that 23andMe engaged in unreasonable data security practices, including, but not limited to:

- Failing to employ safeguards against credential stuffing attacks, including comparing passwords against blocklists of known breached passwords or requiring multifactor authentication;

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- Failing to implement appropriate rate limiting or intrusion prevention;
- Failing to implement logging and monitoring or other tools likely to detect a data breach;
- Failing to appropriately investigate and/or address unusual login in patterns, including, for example, a massive spike in login attempts;
- Failing to remediate known vulnerabilities; and
- Failing to properly review and test design features.

In March 2025, 23andMe filed for bankruptcy protection, and states subsequently filed claims related to the data breach investigation. As part of the bankruptcy proceedings, the assets – notably 23andMe’s consumer data – were sold to TTAM Research Institute, a non-profit formed by 23andMe founder and former CEO Anne Wojcicki. The terms of the sale included many information and data security requirements that likely would have been included in a settlement with 23andMe had it not filed for bankruptcy. Such terms included enhanced data security requirements, appropriate risk analysis, the addition of an Advisory Board, agreeing to be bound by comprehensive privacy laws without exception, and continuing to offer consumer deletion rights. These terms will make sure that TTAM Research Institute, now reregistered as 23andMe Research Institute, will be a safer custodian of genetic data moving forward.

Attorney General Marshall joined the attorneys general of Alaska, Arkansas, Arizona, Colorado, Connecticut, Delaware, the District of Columbia, Florida, Georgia, Idaho, Iowa, Illinois, Indiana, Kansas, Kentucky, Louisiana, Massachusetts, Maryland, Maine, Michigan, Minnesota, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma, Oregon, Pennsylvania, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, Vermont, Washington, Wisconsin, and West Virginia in today’s settlement.

[The full settlement filing can be reviewed here.](#)