Disclaimer

DoorDash: Unauthorized Dasher "Backdooring" Scheme Props Up Delivery Operations, Undermines Safety, and Unravels as Immigration Enforcement Widens

Summary of Culper Research Opinions

We are short DoorDash, Inc. ("DASH", "the Company"), the largest app-based food delivery company in the U.S. Based on our extensive research, we believe DoorDash has quietly onboarded unauthorized and unvetted contract workers at a scale that is both unprecedented in U.S. corporate history and unique to the Company.

- In late 2021, DoorDash quietly dropped delivery courier ("Dasher") SSN requirements and created an industry-unique "backdoor" to onboard unauthorized workers via individual taxpayer ID numbers ("ITINs"). **<u>We estimate unauthorized Dashers have since become responsible for 26% to 57% of Company-wide deliveries.</u>**

- Regulators are cracking down. An "unprecedented" April 2025 ICE/IRS partnership now puts ITIN holders and their employers in federal crosshairs. DoorDash also appears to be subject to an undisclosed SEC investigation, per a July 2025 FOIA request.

- Even a meager shock to Dasher supply would be devastating, as DoorDash would be forced to raise fees thus killing demand, and/or raise payouts, killing profits. **<u>Our calculations suggest a mere 10-11% increase in Dasher pay wipes out the entirety of the Company's $1.9 billion in 2024 Adj. EBITDA.</u>**

It is common perception that a large number of recent immigrants perform gig work for food delivery apps, and that some illegal immigrants or unauthorized workers access these apps using stolen or rented credentials. DoorDash, however, is viewed by investors as having an immaterial reliance on unauthorized workers. The Company itself says any abuse of the platform is "illegal", "not wanted", and results from fraud inflicted upon the Company rather than permitted by the Company's own processes. Second, DoorDash claims that every Dasher undergoes a background check. Our research, however – including interviews with 30+ former DoorDash employees, competitors, background check providers, delivery workers organizations, and others – leads us to the exact opposite conclusion. **<u>DoorDash has not only failed to police its own workforce, but *has itself* devised a backdoor onboarding process that opened the floodgates to unauthorized workers.</u>**

We understand that in late 2021, DoorDash was confronted by the IRS over SSN fraud on the platform.[1] Former employees tell us the agency threatened to refer its findings to the Department of Labor, forcing DoorDash to de-platform the fraudulent Dashers, which the Company simply couldn't afford to do – it "would have led to a complete stall in operations" as the Company had become so reliant on these workers. Instead, DoorDash created a backdoor workaround – the Company dropped its SSN requirements altogether and allowed Dashers to "re-verify" using individual taxpayer ID numbers ("ITIN"). ITINs, however, do not confer U.S. work authorization, and U.S. law prohibits knowingly hiring unauthorized workers, hence why competitors like Uber and Grubhub require SSNs.[2]

DoorDash portrays Dashing as a "side hustle" opportunity for everyday Americans, but **<u>we believe the Company's business has become predicated on this core group of effectively full-time, unauthorized Dashers</u>**. Former

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[1] It is widely reported that many unauthorized workers accessed DoorDash via stolen, borrowed, or rented credentials. While we wouldn't ever expect DoorDash to block 100% of this illicit activity, we are focused on a different issue: an entirely separate problem of DoorDash's own creation that we believe explains, in large part, the Company's past 3+ years of performance.

[2] An individual taxpayer identification number ("ITIN") is issued by the IRS to those who must report taxable income in the U.S., but are *ineligible* for an SSN (e.g., foreign nationals who earn income on U.S. assets, spouses of those on work visas, students on limited visas, etc.). Yet ITIN issuance does not authorize its holder to work legally in the U.S.; work authorization must be obtained separately. U.S. law further states that employers ought not use an independent contractor *"if it knows that the independent contractor is an alien who is not authorized to work in the United States."*

employees tell us the backdoor ITIN workaround was immediately successful, killing two birds with one stone: it allowed DoorDash to retain the problematic Dashers flagged by the IRS, and open the floodgates to new Dashers without SSNs amid what was internally deemed "a supply crisis." Our research suggests DoorDash continues to onboard Dashers using ITINs as of October 2025. **Former employees estimate ITIN holders now constitute anywhere from 10% to up to 50% of Dashers in markets like New York City and Houston**. Further, these Dashers are, per former employees, "the most active" with "the most hours" such that, according to another, "those are the people that were really driving performance." Meanwhile, **DoorDash's *own public data* implies that in Q4 2022, just 12% of Dashers were responsible for 50% of deliveries.** The Company has not provided updated figures since that time, we suspect, as deliveries have become more concentrated among top Dashers, many of whom are unauthorized.

In April 2025, the IRS and ICE signed a data sharing agreement in an unprecedented reversal of decades-long policy protecting ITIN holders from prosecution. Immigration lawyers and workers' rights groups now explicitly call out the risks to ITIN holders and their employers. Considering DoorDash's prior apparent IRS run-in and subsequent ITIN workaround, we believe the Company is likely to fall once again into regulator crosshairs. Given that ITINs are easily distinguished from SSNs, regulators would be able to systematically spot (and deplatform) unauthorized workers with ease, if they were to examine DoorDash records.[3]

DoorDash generated operating losses in every year prior to going public in December 2020, and generated its first profitable quarter in Q3 2024. Investors credit "operating efficiencies" such as order batching, but we believe recent performance is almost entirely downstream of the Company's mass onboarding of unauthorized workers. Third-party data from Gridwise suggests that from 2021 to 2024, Dasher hourly pay fell from $15.60/hour to $12.23/hour, not only a 22% decline, but 24% *less than* average hourly earnings on Uber Eats and Grubhub. As formers told us, DoorDash was the only platform that would accept them, enabling lowered pay floors.

We think the financial impact of even a meager shock to Dasher supply would be devastating, forcing DoorDash to increase prices to consumers, impacting demand, and/or increase Dasher pay levels to compensate. Formers say, for example, that the Company risks losing "the population that's been propping them up for a long time"; "we'd have to figure out how to compensate for that", which would cause "a pretty big business model shift." Our calculations suggest that a mere 10-11% increase in Dasher pay levels would cost the entirety of the Company's $1.9 billion in 2024 Adj. EBITDA. As it was put to us by one former employee, being forced to increase Dasher pay amid a supply shock could eliminate "basically all the margin you have on the order."

Seattle set a telling precedent. In January 2024, the city instituted a minimum pay ordinance, forcing Dasher pay higher. DoorDash responded with higher fees of its own, but saw orders collapse and – even with higher fees – operated at a loss in the city in 2024.

Furthermore, we believe that DoorDash's ITIN population may be a looming reputational nightmare. Contrary to DoorDash's assurances, background checks are effectively short-circuited by ITINs – proper background checks require SSNs. Former employees say DoorDash has thus manually "pushed through" Dasher "ghost profiles" and that "20% to 30%" of Dashers bypass background checks due to "so many loopholes within our own system."

In May 2025, DoorDash was sued by a former Security Engineer, who alleges that he was fired after finding "hundreds of [Dasher] identities tied to shared residential addresses" that were "linked to a broad spectrum of criminal activity including identity theft, financial fraud, robbery, and tax evasion." Another ex-employee suggested that they'd be fired if they raised concerns over Dashers' work eligibility.

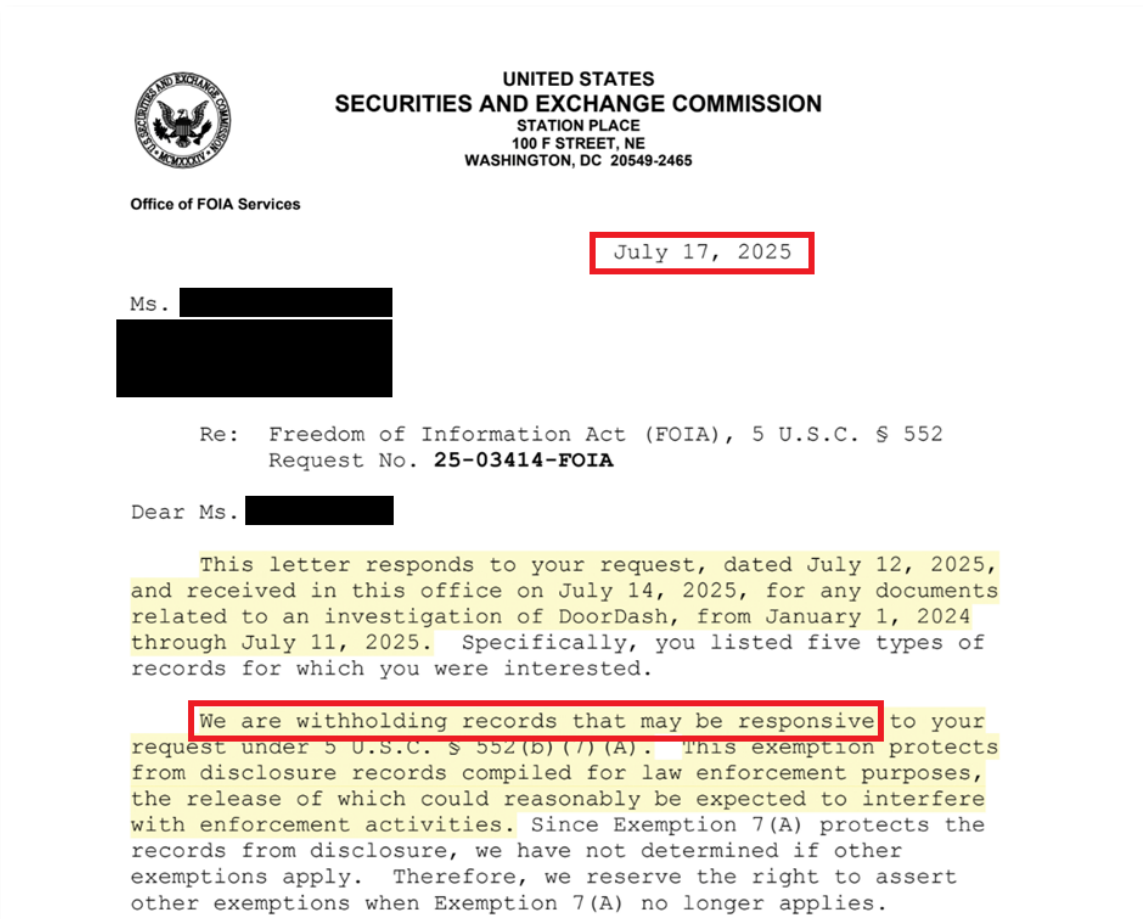
We believe these policies have come at the cost of consumer safety, and our findings may be just the tip of the iceberg. Ex-employees say that DoorDash's law enforcement response team ("LERT") is "like being a 911

[3] An ITIN begins with the digit 9, while SSNs never begin with the digit 9.

dispatcher" – except with the goal of squashing potential PR nightmares. They say settlements are frequent, often involving violent incidents directed by or at Dashers. Ex-employees say they're instructed to "get it before it gets plastered on social media… or to the point that we have an attorney involved." Despite these efforts, recent and ongoing lawsuits point to the damage and corroborate what appear to be DoorDash's flimsy background check processes. For example, one former customer recently sued DoorDash alleging **that a Dasher was allowed onto the platform despite four prior DUIs. That Dasher then killed an innocent mother in a drunk driving accident** less than a month after he had received his latest DUI charge. Another 2025 lawsuit alleges that **DoorDash allowed a Dasher onto the platform who, less than 12 months earlier, was charged with aggravated assault with a deadly weapon. The Dasher then attempted to rape an 18-year-old customer.**

Insiders have sold an astounding $7.6 billion in stock since the Company went public, and continue to sell shares by the day, while the Company appears subject to an undisclosed SEC investigation.

In sum, we believe DoorDash has been uniquely able to tap into a completely new labor market – millions of individuals arriving in America who are desperate to work, unable to qualify for employment, and will work for less than minimum wage. Only by exploiting this labor pool is DoorDash able to operate profitably. Investors often reject a short thesis which rests on theoretical regulatory enforcement, but in DoorDash's case, the risk is no longer theoretical. Wall Street's continual refusal to address the elephant in the room is a classic example of willful blindness. We don't think it will hold much longer.



UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
STATION PLACE
100 F STREET, NE
WASHINGTON, DC 20549-2465

Office of FOIA Services

July 17, 2025

Ms. [redacted]

Re: Freedom of Information Act (FOIA), 5 U.S.C. § 552
Request No. **25-03414-FOIA**

Dear Ms. [redacted]

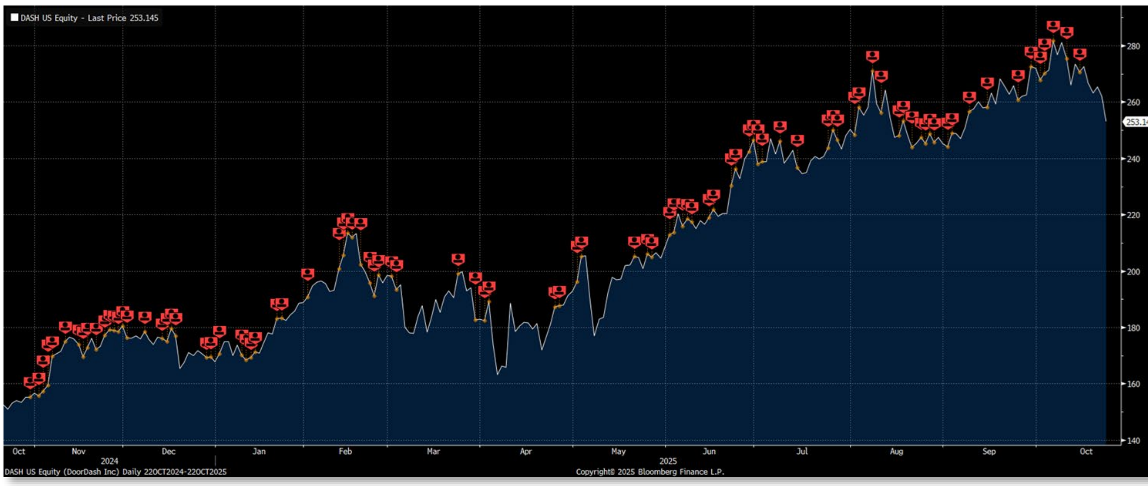
This letter responds to your request, dated July 12, 2025, and received in this office on July 14, 2025, for any documents related to an investigation of DoorDash, from January 1, 2024 through July 11, 2025. Specifically, you listed five types of records for which you were interested.

We are withholding records that may be responsive to your request under 5 U.S.C. § 552(b)(7)(A). This exemption protects from disclosure records compiled for law enforcement purposes, the release of which could reasonably be expected to interfere with enforcement activities. Since Exemption 7(A) protects the records from disclosure, we have not determined if other exemptions apply. Therefore, we reserve the right to assert other exemptions when Exemption 7(A) no longer applies.

Source: July 2025 FOIA Request

Introduction to DoorDash: The Delivery Platform Fueled by Unauthorized, Unvetted Delivery Agents (Dashers)

DoorDash is a delivery platform that connects merchants with consumers via a network of contracted delivery agents (8 million "Dashers" in 2024), primarily in the United States (95% of 2024 revenues). The Company generates revenues from fees charged to merchants and consumers, reported on a net basis as a percentage of order values (13% in 2024). DoorDash went public in December 2020, raising $3.4 billion, after having generated net losses in every year since its founding. Since that time, insiders have sold another $7.6 billion in stock, with $822 million in sales in the last twelve months.



Source: Bloomberg

DoorDash portrays its business as being underpinned by a wide pool of part-time Dashers who, in the Company's words, *"generate earnings around other commitments in their lives, which often include full or part-time jobs, school, parenting, or commitments to care for family or friends."*[4]

DoorDash discloses 8 million Dashers, *"based on the number of Dasher accounts that have delivered an order through our platform in 2024."*[5] Yet only a small portion of Dashers dominate the platform. According to the Company's own survey based on Q4 2022 data,

> *"Only a few highly active Dashers (the top 12%) average more than 10 hours per week on delivery, while almost three quarters (72%) were below the 4-hour mark… and 96% of all Dashers averaged less than 20 hours per week on delivery…"*
>
> *"Over three-quarters of all deliveries were completed by Dashers who delivered for less than 20 hours per week (which is less than the average hours of a part-time employee)"*

Thus, per our analysis of the data, **just 4% of Dashers were responsible for 25% of deliveries, and the top 12% of Dashers were responsible for 50% of deliveries.** [6] We believe that the concentrations of deliveries among top Dashers has only *increased* since that time; corroborated by management's own comments.[7]

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[4] Via 2024 Form 10-K. Also consider that in 2021, DoorDash disclosed that the "average Dasher spent less than four hours per week on deliveries."

[5] Form 10-K, page 7.

[6] For the sake of brevity, please see supporting calculations and references in Appendix 1.

[7] On the Company's Q3 2023 conference call, CFO Ravi Inukonda stated *"90% of our Dashers Dash fewer than 10 hours a week"* and in Q3 2024 stated *"**over** 90% of Dashers do fewer than 10 hours a week"* as compared to the 88% implied by the Q4 2022 data.

DoorDash Has Faced Occasional Scrutiny for False/Stolen SSNs and Shared Accounts. We Believe the Problem is Far Worse Than That, and It's of DoorDash's Own Making

DoorDash has faced previous scrutiny in relation to its unauthorized workforce, but in our view, this scrutiny has failed to address the root of the issue. For example, outlets such as the New York Post (here, here, here) and the New York Times focused on the underground ID market and account rentals – two avenues through which Dashers could obtain fraudulent SSN credentials to join the platform.

BUSINESS

How migrants are gaming apps to get black market delivery jobs in NYC

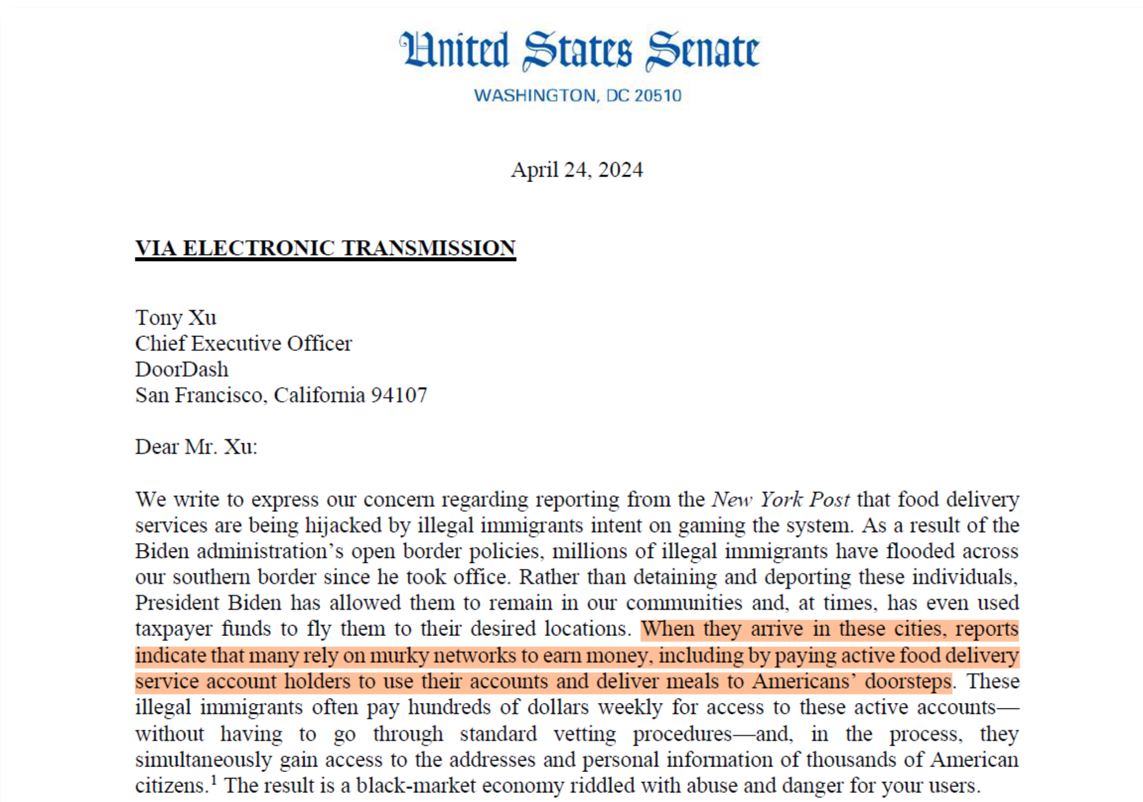
By Lisa Fickenscher and Jack Morphet

Published Sep. 20, 2023, 6:00 a.m. ET

328 Comments

Source: New York Post

Following these reports, in April 2024, a group of U.S. Senators wrote a letter to DoorDash, Uber Eats, and Grubhub, raising concerns that *"illegal immigrants are delivering food… without ever having undergone a background check and often without even using their real names"* by renting existing Dasher accounts.



United States Senate

WASHINGTON, DC 20510

April 24, 2024

VIA ELECTRONIC TRANSMISSION

Tony Xu
Chief Executive Officer
DoorDash
San Francisco, California 94107

Dear Mr. Xu:

We write to express our concern regarding reporting from the *New York Post* that food delivery services are being hijacked by illegal immigrants intent on gaming the system. As a result of the Biden administration's open border policies, millions of illegal immigrants have flooded across our southern border since he took office. Rather than detaining and deporting these individuals, President Biden has allowed them to remain in our communities and, at times, has even used taxpayer funds to fly them to their desired locations. When they arrive in these cities, reports indicate that many rely on murky networks to earn money, including by paying active food delivery service account holders to use their accounts and deliver meals to Americans' doorsteps. These illegal immigrants often pay hundreds of dollars weekly for access to these active accounts—without having to go through standard vetting procedures—and, in the process, they simultaneously gain access to the addresses and personal information of thousands of American citizens.[1] The result is a black-market economy riddled with abuse and danger for your users.

Source: Senators Blackburn, Budd, Braun Letter to DoorDash

Neither these outlets, nor the Senators, however, appear to have focused on any potential active role that DoorDash *itself* has played in recruiting and onboarding unauthorized workers. Indeed, the New York Post suggested that migrants are *"gaming"* the apps. For its part, DoorDash suggests that instances of abuse are the rare result of bad actors circumnavigating the Company's otherwise robust verification processes. For example, in December 2024, Head of IR Andrew Hargreaves, when asked of *"potential risks of documented versus undocumented Dashers,"* responded in part that,

> *"I think illegal activity on the platform is fraud.* ***It's something that we don't want****, and it's something that we have taken a number of steps really over the last couple of years to try to prevent..."*

Our research, however, leads us to the exact opposite view – it appears that DoorDash has not only failed to police its Dasher base, but worse – the Company itself has adopted strategies over multiple years to enable mass onboarding of unauthorized workers.

Part 1: A Contentious IRS Review of DoorDash Found Widespread Use of Stolen SSNs; IRS Threatened to Refer DoorDash to the Dept. of Labor; ITIN Workaround "Re-Verified" Dashers and Opened Floodgates to Thousands More

Background: IRS Review Uncovered Thousands of Dashers Using Stolen SSNs; Threatened to Refer DoorDash to the Department of Labor

In late 2021, DoorDash was flagged by the IRS who had fielded numerous complaints from individuals who had found DoorDash earnings on their tax statements, despite never working for the Company, according to multiple ex-employees we spoke with.[8]

> *"What would happen is the IRS would send us a notice saying, hey, these, you know, thousands of drivers have incorrect Social Security numbers. So, either you have to deactivate them, or you have to pay their taxes for them… The penalties if we don't comply are very high. If we just deactivate hundreds of thousands of drivers, [that's] a huge hit to the business."*

A second former DoorDash employee told us that the IRS review had flagged between 2% and 6% of Dasher accounts. As such, the IRS threatened to refer its findings to the Department of Labor.

DoorDash never disclosed the IRS review to investors, but does appear to have alerted its Dashers to the threat of temporary account suspension. Archived versions of the Dasher support forum reveals that in approximately October 2021, DoorDash posted a "re-verification" page – alerting Dashers that those with "inconsistent" (read: fraudulent/stolen) tax IDs (SSNs) ought to "resubmit their legal name and Tax ID Number."

Tellingly, DoorDash did not threaten de-activation or de-platforming, only temporary suspension, in which case the Company would *"contact you with steps you can take to reactivate your account."*

Ex-employees say total de-platforming simply wasn't an option, as it *"would have led to a complete stall in operations."* According to another, ***"It was us being threatened to be shut down completely."***[9]

[8] This problem has also been flagged for example, here, and here.

[9] Full quote: *"Because I mean, you see you, you know what's going on, right? It's like, not really a secret. You can look all over the Internet and you see people saying, you know, wait, I'm. I just got a bill from the IRS for dashing, and I have never been a door dasher. Like, it was very clear. And I think there's been some pretty high profile articles too about the sharing of accounts, the renting of accounts, so definitely it's in a way public knowledge that this is going on. So it's not surprising, I guess the IRS is like either you fix it or we fix it for you… So the*

Tax Identification Number (TIN) Re-Verification

DoorDash is required to maintain up-to-date Tax ID Numbers (TIN) for the Dasher fleet to properly process taxes. If you received a notice regarding an invalid TIN, it means your account meets one of the following conditions:

1. "The Tax ID Number submitted was incorrect. Note, your Tax ID Number is the same as your Social Security Number or Employer Identification Number."
2. "The name submitted for the Tax ID Number does not match the IRS database".

In order to resolve this inconsistency, we are asking Dashers to resubmit their legal name and Tax ID Number. Your name and Tax ID Number should match what is listed on your annual tax returns. To access the submission link, please check your email for a message with the subject line "Update your Dasher Account Tax ID Number".

If your Tax ID Number is not updated soon, your Dasher account is at risk of being suspended. If your account is suspended for an invalid TIN, we will contact you with steps you can take to reactivate your account.

Source: DoorDash

Rather than De-Platforming Dashers with Stolen SSNs – Arguably its Most Valuable Dashers – DoorDash Created a Workaround: ITINs

Numerous former DoorDash employees told us that DoorDash devised a workaround that not only allowed these Dashers to become "compliant" by no longer using bogus SSNs, but expanded the Company's ability to recruit unauthorized workers – **the Company simply dropped the SSN requirement altogether, and allowed Dashers to submit applications using an Individual Taxpayer Identification Number ("ITIN") instead.**

ITINs are issued by the IRS to individuals who report taxable income in the U.S., but are ineligible for an SSN. Examples include foreign nationals who own U.S. assets, spouses of work visa holders, students on limited visas, and of course, undocumented immigrants. According to the IRS, however, **an ITIN does not change its holders' immigration status, does not authorize the holder to work legally in the U.S., and does not serve as identification outside of the federal tax system.**[10]

IRS, as the entity itself, doesn't have the power to, like, shut you down. But it has the power to influence the next agency to do so. Someone other than the IRS, because the DOL will get involved."

[10] U.S. Citizen and Immigration Services (USCIS) also states that to work legally in the U.S., an individual must *prove their identity* and their legal right to work.

IRS SEARCH | SIGN IN | MENU

What an ITIN is used for

An ITIN is issued by the IRS for federal tax purposes only.

An ITIN **doesn't**:

- Qualify you for Social Security benefits or the Earned Income Tax Credit
- Provide or change immigration status
- Authorize you to work legally in the U.S.
- Serve as identification outside the federal tax system

Who needs an ITIN

You need an ITIN if you have a federal tax purpose and you're not eligible for an SSN.

Source: IRS

Further, the Immigration Reform and Control Act ("IRCA") i.e., U.S. law, states that employers – even those employing independent contractors – cannot *"obtain the labor of an alien in the United States knowing that the alien is unauthorized…"*

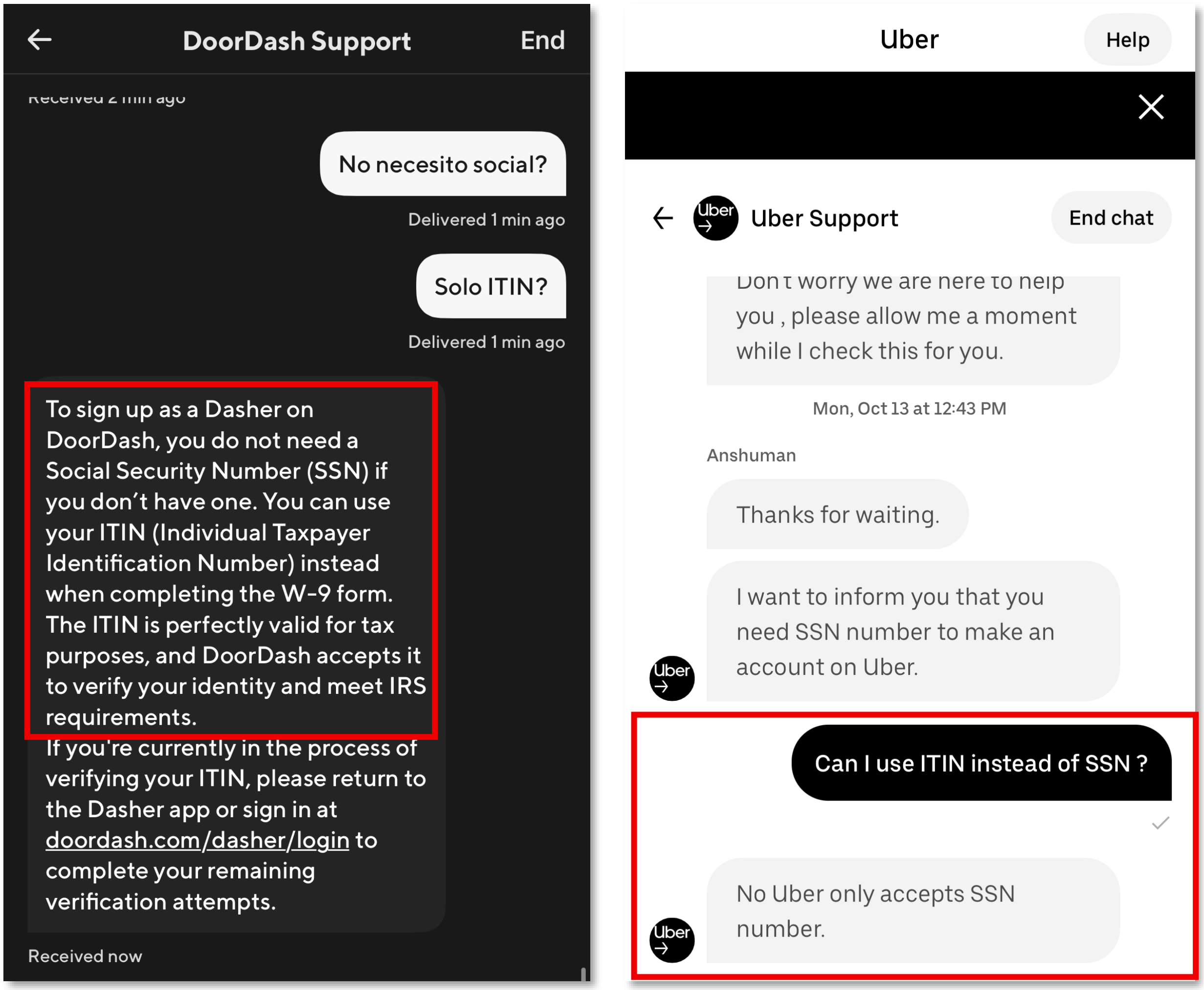
(4) Use of labor through contract

For purposes of this section, a person or other entity who uses a contract, subcontract, or exchange, entered into, renegotiated, or extended after November 6, 1986, to obtain the labor of an alien in the United States knowing that the alien is an unauthorized alien (as defined in subsection (h)(3)) with respect to performing such labor, shall be considered to have hired the alien for employment in the United States in violation of paragraph (1)(A).

Source: Cornell Law

This is why accounting firms advise, *"ITINs do not prove identity outside the Federal tax system and should not be offered or accepted as identification for non-tax purposes."* **DoorDash, however, told us the exact opposite – the Company gladly accepts ITINs *"to verify your identity and meet IRS requirements"* as shown below**.[11]

[11] One former employee told us that internally, the Company justified the decision to remove SSN requirements by arguing that, as contractors, DoorDash did not bear the responsibility of verifying Dasher work eligibility. In their words, *"So we stopped that – making the Social Security number a requirement and then the sharing of accounts, the Social Security number fraud, et cetera et cetera. And then the tax number [ITIN]*



Source: Culper Conversations, October 2025[12]

ITIN usage appears to be unique to DoorDash, and a key factor, we believe, in DoorDash's share gains. In the words of one former DoorDash employee,

> *"We were really focused on our share of the market. If our order time popped up from 35 to 45 minutes, and Uber Eats was faster, then we would lose share."*

Grubhub similarly states that *"all delivery partners must have a valid social security number"*, and Instacart requires its shoppers to *"be eligible to work in the U.S."* Eligibility, as we noted, is not conferred solely by an ITIN. Former employees from Uber told us that they require SSNs and/or proof of work authorization in order to ensure that they were *"not infringing on any laws"*.[13] Another said that, by contrast, DoorDash *"made a strategic decision"* to accept the risks associated with dropping SSN requirements.

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was implemented because they're contractors. And that makes things kind of hazy as well, because we were arguing like 'they aren't our employees, they're contractors, we don't have the same you know, like employer, employee relationship or responsibility.'"

[12] In addition to the explicit confirmation we obtained from DoorDash above, archived versions of DoorDash's website reveal a subtle shift in language that seems to point to the change. Prior versions indicated social security number was required; subsequent versions indicated social security number *"for a background check only to determine contractor eligibility."*

[13] A former Uber employee also told us that at one time, Uber accepted ITINs, but only when accompanied by proof of the right to work via *"a DHS letter, a USCIS letter, or a court notice where it clearly stated that they had a right to work."*

This was reiterated by a former DoorDash employee who said, "***It was worth the risk*** *in a sense"* as it was, *"the easiest way to solve two problems at the time."*

According to a representative we spoke with from Los Deliveristas Unidos, the NYC-based delivery workers organization, *"(DoorDash) opened this space because they wanted to have access to more workers. They opened the space to and said if you have an ITIN number you can apply for work."*

ITIN Workaround was Immediately Effective: Formers Estimate ITIN Workers Now Represent Up to 50% of Dashers in Major Markets

Dropping SSN requirements and opening the floodgates to ITINs was immediately effective. One former employee who was involved in the ITIN launch said that DoorDash saw an immediate boost in sign-ups, and that over time, 30% to 33% of new Dashers were signing up with ITINs, with the use of ITINs prevalent *"especially in the border states"* and immigrant-dense cities like Miami.

> *"So thinking across the country we had like a 7% to 10% increase when we first launched, and then like that gradually grew like quarter to quarter, it got closer to 30%, 33%. When you look at the towns or markets where we were doing like a hard push, it got like an instant boost in like the 15% low 20% [range] within the first month."*
>
> *"**The 33% is all the people within the company – the drivers – who would have ITINs as their sign-up method. We tracked how many were signed up through there** … we were looking very heavily at that because at first it was just going to be a trial, we weren't going to like fully roll out with that decision and so we were tracking to see if we needed to revert back to not allowing that. Obviously that didn't happen."*
>
> *"I would say **for every 10 people that signed up, four would be on ITINs.** Because we were competing with the Ubers, but we were the ones providing income to people where **nobody else was.** We became a hot topic to communities where they'd be like 'hey you can make money this way.' And you could use a bike."*[14]

Several additional employees confirmed to us that unauthorized ITIN holders quickly became a significant portion of the Company's workforce.

- One former DoorDash employee suggested that illegally employed Dashers now constitute anywhere from 10% to 50% of each local delivery market:

  "In your classic suburban market, in the ballpark of like 10% … in places like New York City, the major California cities, the Texas cities, I think it can get into that range of 40%, sometimes 50%."

- According to another, *"I'd say that 15% [of Dashers today] are unauthorized"* and *"they work more on average, more than the average person."*

- Another estimated that, *"50% or 60%"* of total Dashers were immigrants with up to *"70% to 80%"* in submarkets like California and New York, and estimated that 25% to 30% of these immigrants did not have work authorization, implying 12.5% to 18% of all Dashers were unauthorized, in line with the above.

- As it was characterized by another, *"The huge chunk of our sign-ups are coming in from recent migration."*

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[14] Interestingly, DoorDash proudly touted in a February 2025 report that, *"We have **tripled the share of deliveries** made on two-wheeled devices across U.S. and Canada markets on the DoorDash platform since 2022."*

In July 2023, DoorDash's Senior Manager of Public Engagement acknowledged, *"We never ask any Dasher their immigration status. We don't ask if they're a citizen or a green card holder or any of that information."*

We asked a former member of DoorDash's Trust and Safety team what might happen if they raised concerns over the legal status of these Dashers. Their response was telling.

> Culper Question: *"If you put your hand up and said, hey, we're onboarding a lot of people who legally shouldn't be working, how would that be taken?"*
>
> Former Trust and Safety Employee: *"We'd probably be fired. Because we were discriminating. We can't be seen as discriminating people, because DoorDash is more, we say, liberal than anything."*

We Believe Unauthorized Workers Have Become DoorDash's Lifeblood: "The Most Active" Dashers – "They Don't Have Any Other Option"

We believe these unauthorized workers have not only grown in number on the platform, but have become critical to the Company, as they also work more than average.

Recall that, per the Company's own figures, the average Dasher works less than 4 active hours per week – an extremely low bar, in our view.[15] Based on our conversations, we estimate unauthorized Dashers could account for 15% to 25% of total Dashers, and work 2x to 4x more than the average Dasher, **we estimate unauthorized Dashers could be responsible for 26% to 57% of total deliveries.**

Culper Estimates: Unauthorized Share	Low	Mid	High
Unauthorized Dashers	1,200,000	1,600,000	2,000,000
% of total	15.0%	20.0%	25.0%
Authorized Dashers	6,800,000	6,400,000	6,000,000
% of total	85.0%	80.0%	75.0%
Total Dashers (2024; disclosed)	8,000,000	8,000,000	8,000,000
Unauthorized productivity vs. authorized	*2.0x*	*3.0x*	*4.0x*
Implied Share of Deliveries			
Authorized Dashers	74%	57%	43%
Unauthorized Dashers	**26%**	**43%**	**57%**

Recall/check: Top 4% of Dashers	25% of orders	OK
Recall/check: Top 12% of Dashers	50% of orders	OK

- According to one former DoorDash manager, *"These [ITIN holders] were also the people who were using DoorDash as their main source of income. These are the people that were really driving performance… the first quarter or so,* ***they were 60% or 70% of the Top Dashers****. After a few months it evened out to like fifty-fifty [ITINs and SSNs]."*

  "Legally, ***you have to cap off at 12 hours a day, and a lot of them were meeting that cap like 5 days a week****. Of just the ITINs, I'd say like 10-15% of them were hitting that 12 hour max. Again it's like these*

[15] Our 2x to 4x figures imply that the average unauthorized Dasher logs active hours of just: 2.32 active hours per week at 2.0x productivity, 2.95 active hours per week at 3.0x productivity, and 3.19 hours per week at 4x productivity. We believe these figures are entirely reasonable if not conservative in context of the numerous comments suggesting this base works effectively "full time."

people's main or only source of income. And you don't get paid a ton doing these, so you really have to grind."

- According to one former DoorDash manager we spoke with, *"the ITIN workers"* were, *"quite active. The most active actually. You would see them put in the most hours on a daily basis. More hours throughout the week on a weekly basis. Very grind mentality, if you will."*

- According to another who left in early 2025, *"it was pretty taboo and wasn't really discussed… like this is very clear when you walk around like this is not like a gig work thing. This isn't like oh, you know, for some extra hours after work, it's like, no, no, no. This is like their way of entirely providing for their families and this is their thing. This is their only way."*

- A senior organizer for Deliveristas Unidos echoed this idea, saying deliveries are *"the only option to try and pay the rent… delivery workers don't have any other option but to go out and earn their daily bread."*

Unprecedented April 2025 ICE/IRS Agreement Places DoorDash in Federal Crosshairs; Experts Call Out Explicit Risks to ITIN Holders and Employers

Just months ago, the IRS and ICE signed an unprecedented data sharing agreement that places ITIN holders and hiring businesses in the crosshairs. The agreement seems to have been totally ignored by investors, but poses a significant risk, given the Company's past IRS scrutiny and subsequent ITIN workaround.

In February 2025, the DHS requested data from the IRS on at least 700,000 suspected undocumented migrants, according to a leaked memo obtained by the Washington Post.

> *"DHS's Thursday memo also asked the IRS to deploy dozens of highly skilled IRS auditors and criminal investigators to launch probes of businesses suspected of hiring immigrants not authorized to work in the United States."*

In April 2025, the IRS signed an MOU with the Department of Homeland Security and ICE for the *"exchange of information for non-tax criminal enforcement"* including names, addresses, and tax data of individuals who have received final removal orders yet *"failed to leave the country after 90 days."* The DHS reportedly told IRS officials that *"they would hope to use tax information to help deport as many as seven million people."* Law firms such as Holland & Knight now explicitly call out risks to not only ITIN holders, but their employers.

> In a lawsuit filed by not-for-profit corporations serving Latino immigrants against the U.S. Secretary of the Treasury and IRS, court filings have revealed that the IRS and U.S. Department of Homeland Security (DHS), acting on behalf of U.S. Immigration and Customs Enforcement (ICE), have entered into a memorandum of understanding (MOU) in which the IRS will disclose to ICE the names of addresses of certain taxpayers (taxpayer information) with Individual Taxpayer Identification Numbers (ITINs) for the purpose of aiding in the enforcement of immigration laws. This historic and unprecedented MOU has implications not only for immigration enforcement against undocumented persons and their employers but also for related tax enforcement against those same employers.

Source: Holland & Knight

The agreement marked a severe break in longstanding IRS policies which historically protected ITIN filers from non-tax-based prosecution. As such, the agreement sent shockwaves through immigration lawyers, think tanks, and advocacy groups. The Economic Policy Institute called the agreement "a major and unprecedented action", highlighting that *"The ability to file with ITIN numbers has allowed U.S. residents who lack an immigration status to pay their fair share of taxes on their earnings without fear of retribution"* – is now in doubt, especially for those who have received final removal orders. The National Immigration Forum also called these moves *"unprecedented",* while the Legal Aid and Justice Center similarly highlighted the risks now posed to ITIN holders.

We Believe DoorDash's ITIN Workaround Has Been a Key Cost Lever; A Mere 10-11% Increase in Dasher Pay Resulting from Unwind Wipes Out Entire 2024 EBITDA

If DoorDash loses or is forced to increase pay levels to retain even a small portion of its high-volume Dasher base, the effects would be devastating – the Company has little if any room to absorb a supply shock. **All else equal, we estimate that a mere 10-11% increase in Dasher pay levels would represent the entirety of the Company's $1.9 billion in 2024 Adj. EBITDA.**

DoorDash Pay Hike Scenarios	Bull	Base	Bear
Total orders (millions; 2024)	2,583	2,583	2,583
Total Dasher earnings (millions; 2024)	18,000	18,000	18,000
Total Dasher earnings, per order	$6.97	$6.97	$6.97
Pay hike (% terms)	5%	10%	15%
Hike $ terms, per order	$0.35	$0.70	$1.05
Total orders (2024 actual)	2,583	2,583	2,583
Total pay hike ($ millions)	**900**	**1,800**	**2,700**
Actual 2024 Revenues	10,722	10,722	10,722
Actual 2024 Adj. EBITDA	1,900	1,900	1,900
Pay hike as % of revenues	**8%**	**17%**	**25%**
Pay hike as % of EBITDA	**47%**	**95%**	**142%**

Source: Company Disclosures, Culper Estimates

DoorDash recognizes the risk of cost-effective Dasher recruitment and retention in its Form 10-K, which states,

> *"Our continued growth depends in part on our ability to* ***cost-effectively attract and retain Dashers*** *who satisfy our screening criteria and procedures and to increase the use of our platform by existing Dashers."*

Several ex-employees acknowledged the risk posed by potential de-platforming of unauthorized Dashers.

> *"If you remove 20% of these delivery drivers, and presumably these people work more full-time on the platform. Like they're probably contributing more orders than average, so our cost per delivery would go up, and in response they'd have to increase fees, and that would drive down demand. It would be a pretty big business model shift… Your cost per delivery would go up let's assume 20% in response, so instead of being $5, its $6, and* ***that's basically all the margin you have on the order****."*
> – Former DoorDash Director (non-board, executive-level)

> *"Customers would see an impact because there aren't as many drivers, so pricing would be high. Wait times would be high."* – Former DoorDash Manager #1

> *"We'd definitely have to like figure out how to compensate for that, try to find other cohorts to go after more aggressively, but I think that would, you know, hurt the company for sure if there's fewer immigrants to who are around to Dash."* – Former DoorDash Manager #2

> *"The exposure to the undocumented workforce and what that does to the supply side – [if deplatformed], we drive up price and deliveries get delivered slower. The biggest value proposition is speed."* – Former DoorDash Associate Manager

Seattle as a Case Study: DoorDash Was Forced to Hike Pay, Which the Company Blames for an "Unprecedented Drop" in Orders and Market-Level Operating Losses in 2024

The city of Seattle serves as a helpful case study to illustrate just how fragile DoorDash has become to increases in Dasher pay levels. In January 2024, Seattle City Council enacted its Minimum Pay Ordinance, forcing companies like DoorDash to pay delivery contractors a per-mile fee plus minimum fees on a per-minute basis for actual delivery times, or a minimum fee per order, excluding tips.

DoorDash complained that the ordinance represented an *"extreme policy change"* and said it would pass the effective Dasher pay increases onto consumers and merchants via a *"regulatory response fee."*

Even so, DoorDash admitted that it faced unprecedented drops in order volumes, and later admitted that Seattle operated at a loss in 2024. A former employee we spoke with said that restaurants defected to competitors who better dealt with the new ordinance.

> *"When Seattle put the mandates in, a lot of restaurants left DoorDash. The fees were too much, and they could go to Grubhub or Seamless and it was cheaper for the restaurants to work with those companies."*

From May 2022 through Q3 2025, Seattle government data shows DoorDash has spent at least $1.9 million in lobbying to oppose, and then roll back the legislation.[16]

DoorDash First Turned an Operating Profit in Q3 2024, Citing "Efficiencies." We Think It's Largely Due to the Impact of Unauthorized Workers

While only tangential to our argument of rising Dasher pay levels (we believe they are going up regardless of how, exactly, we got here), it's worthwhile to discuss how exactly DoorDash has managed to – only in Q3 2024 – begin eking out profits. To that end, it seems to us that the Company continually gives too much credit to supposed operating "efficiencies" while concealing the benefits that the massive influx of ITIN workers has had on its bottom line. These come primarily in the form of lowered recruiting and retention costs and lowered payouts over time.

ITIN Workaround Unlocked the Floodgates, Lowering Recruiting and Retention Costs

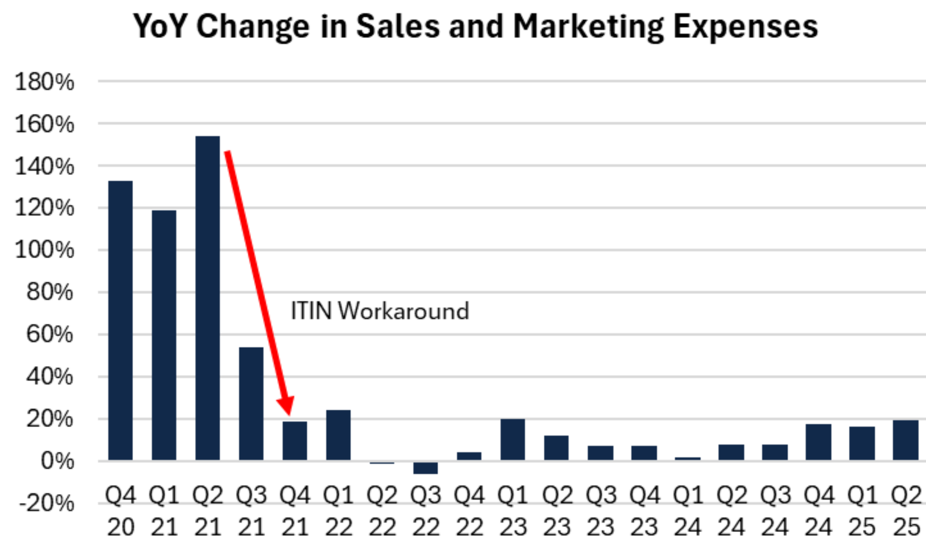
DoorDash trumpets the platform's ease of entry, but this ease comes at a cost, as Dasher churn is high and erratic. Ex-employees suggest that half of Dashers never complete more than 5 deliveries, and that the average Dasher stays on the platform for just 2 to 3 months.[17] **Dasher recruiting and retention are therefore structural, recurring**

[16] Search term "DoorDash Inc" from mid-2022 to June 31, 2025. Expenditures include lobbying Seattle City mayor Sara Nelson and other council members who sponsored CB 120775 – a bill to *lower* app-based workers´ wages. It currently appears to be stalled at City Council. Also see local media coverage here.

[17] Per one former employee, *"of the 8 million [total Dashers], it's probably 4 million that probably do 5 deliveries or less."* Per the second former employee, *"I might even say it's more than 50%. The issue is that it's a low barrier to entry to sign up…"* Per the third former

costs. The Company's ITIN workaround temporarily hid these costs, but that appears to be fading quickly with renewed fears of immigration enforcement.

Dasher recruitment and retention costs are included both in Dasher pay – which is deducted from revenues – and in sales and marketing expenses.[18] To that end, see that growth in sales and marketing expenses collapsed just after the Company rolled out the ITIN workaround.



Source: DoorDash disclosures, Culper annotations

On the Company's Q4 2021 conference call, former CFO, now COO Adarkar acknowledged the Company's sales and marketing expenses actually *declined* quarter-over-quarter. He explained that DoorDash had not only suddenly become well supplied with Dashers, but that the Company would be well supplied into 2022 as well. He credited this to DoorDash's supposed attractiveness vs. competing platforms.

> *"The reason why sales and marketing declined was because our driver acquisition, our Dasher acquisition costs were lower quarter-on-quarter. As we've said in earlier quarters, we've fixed the undersupply situation that we faced earlier in Q2, and we find ourselves well supplied, and we expect to be well supplied in 2022. And the big reason for that is because the people that generally become Dashers are a very different audience than the types of people that the other gig economy companies are competing for… You can Dash on a scooter, you can Dash on a bike. It tends to be safer because you're not sharing your personal space with another human being."*

Adarkar's explanation doesn't make any sense to us. DoorDash has *always* been different than platforms like Uber and Lyft in its ease of access, lack of passenger interactions, and lower vehicle standards. **These things didn't change in a single quarter; only DoorDash's SSN requirements did.**

employee, *"I think we usually retention wise get like 2 to 3 months is average. A lot will do a couple Dashes and then hop off, and then you have the folks who Dash for a long time…"*

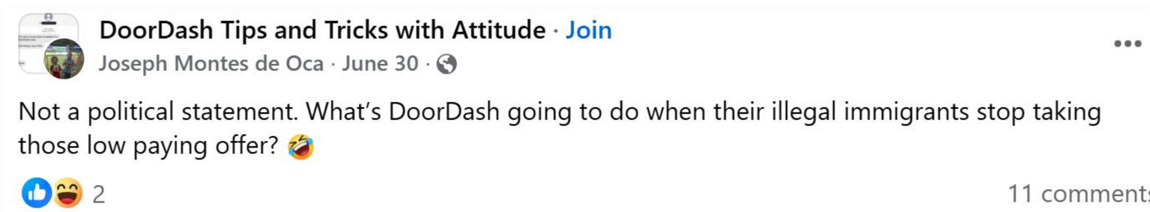
[18] Form 10-K, *"Our revenue reflects commissions charged to partner merchants and fees charged to consumers **less (i) Dasher payout** and (ii) refunds, credits, and promotions, which includes certain discounts and incentives provided to consumers."* And *"Dasher payout represents the amounts paid to Dashers for deliveries, **including incentives** and tips, except for certain referral bonuses."*

Flood of Unauthorized Dashers then Allowed DoorDash to Lower Payouts Over Time

We believe the constant influx of unauthorized workers has also enabled DoorDash to lower effective Dasher payouts over time. DoorDash does not disclose hourly earnings per Dasher, but does disclose figures that allow us to calculate Dasher earnings on a per-order basis. From 2021 to 2024, Dasher earnings per order declined 12% from $7.91 to $6.97, even as average order values and DoorDash's take rates increased.[19]

Culper Est. via Company data (millions)	2021	2022	2023	2024
Dashers	6.0	6.0	7.0	8.0
Dasher earnings	11,000	13,000	15,000	18,000
Annual avg. earnings per Dasher	$1,833	$2,167	$2,143	$2,250
Total orders	1,390	1,736	2,161	2,583
Marketplace GOV	41,944	53,414	66,771	80,231
Revenue (millions)	4,888	6,583	8,635	10,722
DoorDash take-rate	11.7%	12.3%	12.9%	13.4%
Average order value (incl. Dasher pay)	$30.18	$30.77	$30.90	$31.06
DoorDash revenue per order	$3.52	$3.79	$4.00	$4.15
Dasher earnings per order	**$7.91**	**$7.49**	**$6.94**	**$6.97**

We believe this decline owes to DoorDash having *lowered* Dasher payouts over time amid the influx of unauthorized workers who were willing to accept lower pay. Consider the sentiment below, versions of which are echoed across the internet. [20]



Source: Facebook

Publicly available third-party data from industry provider Gridwise suggests both that average Dasher earnings per hour have declined over time, and that Dashers now earn considerably less per hour than on competing platforms.

Avg. Earnings per Hour	2021	2023	2024	'21 to '24
Uber Eats	$16.56	$15.67	$14.96	-9.7%
Grubhub	$17.06	$17.26	$17.09	0.2%
DoorDash	**$15.60**	**$12.58**	**$12.23**	-21.6%
DoorDash vs. Peers	**-7.2%**	**-23.6%**	**-23.7%**	

Source: Gridwise[21]

[19] The Company reports revenues *net of* Dasher pay (including tips), and reports gross order values *inclusive* of Dasher pay. In simple terms, in 2024, Dashers earned $6.97 per order (including tips) and DoorDash earned revenues of $4.15 per order.
[20] E.g., here, here, here, here. In particular, one Dasher describes how lower payouts led him to other apps where, apparently, "oversaturation" was not a problem: *"5 months ago only app I used was dd. **Lower payout, oversaturation from illegal immigrants**, ridiculous expectations like 80% [acceptance rate] to dash anytime was what forced me to look for other options. Now with ubereats, grubhub, deliverthat, roadie and shipt I can easily hit my goals."*
[21] See Gridwise data (here, here, here); 2021 DoorDash data available from September 2020 to August 2021.

This data begs the question: if Dashers could make more money on competing platforms, why wouldn't they? As one former employee told us – that was exactly it – they couldn't.

> *"We were competing with the Ubers, but we were the ones providing income to people where nobody else was… we were providing access to people who wouldn't otherwise have it."*

Former employees we spoke with said that DoorDash made a concentrated effort to lower Dasher pay in 2024, while also trying to conceal that lower pay from Dashers and the general public.

> *"And basically at that time we – the team – was, **we got top-down orders that we need to lower base pay**, right, because we need to cut on costs and our major costs is the pay to Dashers… **This was top-down instructions from the CFO, right.** And so now naturally if you're a Dasher and you see that you're getting paid for a delivery $2.25, now $2.00, it obviously stings, and that causes a lot of backlash, right? Which is a natural reaction for the Dasher. So what we were in charge of was, okay, we're lowering the base pay, but can we still maintain the acceptance rate… what we were trying to do was okay, **they're getting paid less. How can how can we make it seem like they're paid the similar amount** or like how can we balance that out essentially, right?"*

This former employee emphasized that many Dashers would take whatever orders came their way, regardless of the proposed payouts. For these Dashers, DoorDash represented their primary source of income – turning down orders, even if low-paying ones, would de-prioritize them in the DoorDash algorithms. In this sense, **DoorDash relied on the most vulnerable base of Dashers to push effective pay rates lower over time.**

> *"To make money for many people, this might actually be their only source of income, so they're going to take what they get, you know."*

The former employee noted that another tactic DoorDash utilized was to cut down payments for bundled orders, despite the increased work for Dashers. The Company argued that Dashers would make up for it in tips.

> *"So the bundled order. You're not getting that separate now… It'll be a total for two [bundled deliveries] for the entire base pay of $2.00 for the entire offer. [We told Dashers] you can earn more with you know with these bundle offers through tips like very positive you know, so there's nothing that's saying like oh, we're decreasing the pay…*

They even mentioned the disparity between DoorDash's public narrative and what "we all knew was happening" internally at the Company.

> *"I'll be honest, like DoorDash didn't publicly state to their stockholders or publicly state to the public that they're that they're focusing on cutting dasher pay because it's not something you would say. So they worded things like oh, we're improving operational efficiency, we're improving our profit margins all of that. But it was like **internally we all knew what was happening** and we're all working towards it."*

Another former employee described yet another seemingly duplicitous tactic, calling out tipping in particular. DoorDash promised Dashers would retain "100% of tips", but only after lowering the base pay.

> *"Contrary to what DoorDash says, 100% of tips aren't really paid out to Dashers, and here's why. The tip is added to the end. They [customers] think you're doing a good job, they add on $5. The marketing is like 'the Dashers get all $5' and it's true that the Dashers get all $5, but what happens is when the tip happens, DoorDash adjusts the co-efficient on the order in order to match around what the tip is, so they make maybe more, but it's not 100%. It's like half of it or even less. And what DoorDash will do is basically pass on the Dasher cost in the system onto the tips."*

"I think from DoorDash's perspective, it's not like a – I mean depending on what way you look at it – they say like from a legal perspective, you're giving 100% of that tip, and then lowering the base pay, but then legally speaking, they're still getting 100% of the tip."

Earlier this year, DoorDash settled with the New York State Attorney General for $17 million, after the AG alleged that between May 2017 and September 2019, *"some Dashers did not receive the full tips they were due."*

Part 2: DoorDash's ITIN Workaround Short-Circuited Background Check Processes; Formers Say Loopholes Result in "Ghost Profiles"; "Clusters" of Dashers Registered to the Same Address/Phone; "Suddenly 30% to 40% in Grey Area"

DoorDash continually maintains that it conducts background checks on its Dashers. For example, SEC filings claim *"Dashers can use our platform after passing a background check"*, and a December 2024 Newsweek article – citing its conversations with the Company, says *"criminal background checks have been conducted since 2014."* The Company further implies that these checks may be *"continuous."*[22] As such, DoorDash seems to have created the impression that consumers can rest assured knowing that the Dasher approaching their home or workplace does not, for example, have a history of say, drunk driving or assault.

Our interviews with former employees, competitors, and the Company's own background check provider suggest that DoorDash's ITIN workaround completely undermines background check processes, leaving a core delivery base that is not only unauthorized to work, but doing so without proper background checks.

DoorDash Conducts Background Checks via Checkr, Which Says, "We Can't Accept ITINs"; Formers Say DoorDash "Pushes them Through" Anyway

DoorDash conducts background checks via San Francisco-based Checkr. Checkr states plainly that an SSN is required for a criminal background check, and that the platform cannot accept ITINs:

What if I don't have a Social Security number?

Some searches, such as motor vehicle record (MVR) reports and education verifications, don't require an SSN. However, if you're a US-based candidate without a valid SSN, Checkr can't complete a criminal background check without a valid SSN.

If you don't have a valid SSN, contact the company or organization you applied to.

Can I use an Individual Taxpayer Identification Number (ITIN) or Employer Identification Number (EIN) instead of an SSN?

No, Checkr can't accept an ITIN or EIN in place of an SSN for background checks.

Source: Checkr

We corroborated this with two former Checkr employees, who confirmed that without an SSN, the background check simply will not proceed. In these cases, according to former employees we interviewed, Checkr tags the background check with a "consider" flag, and flips the result back to DoorDash, who then retains the hiring decision.

[22] For example, DoorDash's Dasher FAQ page suggests that "Checkr provides a continuous check feature that can report new offenses occurring after your initial background check." The Company does not, however, state that *it actually pays for this feature*, only that it is *available*. Former employees, lawsuits, and competitors all suggest that DoorDash *does not* pay for this feature.

> *"We don't accept ITINs at all, not at all. And if they try to put in an ITIN number, our system can detect that and would stop the background check, full stop. Like it doesn't even go through."*
>
> *"And you know, and then I'm looking up their thing, their background check… is saying 'consider' because they never supplied a Social Security Number… The DoorDash adjudication team… it's still up to them to decide. Okay, did they clear it up? … We [Checkr] make no decisions on reports on who gets hired or not. We have no control over that."*

One former DoorDash employee acknowledged to us that the 2021 "supply crisis" precipitated some sort of change in background check policies, as this employee saw Dashers suddenly go from 2-day onboarding times to same-day onboarding. This employee wasn't directly involved, however, so had trouble articulating exactly what had changed.

> *"I was working like 60- or 70-hour weeks. It was all hands on deck to find new Dashers, like it was the number 1 topic each week in the meeting with [DoorDash CEO] Tony Xu. We did everything we could to find new Dashers… Because the main point where people fall off is in the background check… and if you get them going the same day, you just get a lot higher conversion rates…I don't know exactly how they did that. At the end of the day I just know it went from two days to same day."*

Former DoorDash employees we spoke with estimated that background check "loopholes" resulted in up to 30% of Dashers simply bypassing a comprehensive background check altogether.

> *"Granted, we do try to background check everyone, but because there are so many loopholes within our own system, there's so many people that actually just slip under the rug and are able to conduct and continue working without the background check until it gets caught on later on by one of the agents."*

A second former DoorDash employee explained how they discovered so-called "ghost" profiles, given the lack of actual information on the Dasher in consideration.

> *"The picture of the person being verified, they're getting cross referenced to Checkr… I would go look at their Checkr and it would say first name, last name, date of birth. That's it... Like a ghost."*

According to another former high-level Uber employee we spoke with, DoorDash became known within Uber's ranks for its *"loose"* onboarding requirements: in situations where Uber would reject *"gray area"* profiles, DoorDash would simply *"push them through."* The former employee credited these policies for DoorDash's ability to rapidly onboard new couriers and thus improve customer wait times and gain share.

> "*DoorDash was taking certain shortcuts there, which Uber had sorted out. And we know from the data – it looks like they [potential contract workers] shifted right over to DoorDash. Folks at Uber who were observing data on how their funnel was working and their turnaround times. They dug and realized that at every turn, where Uber would say we need to wait for this paperwork or figure out what happened with these individuals, DoorDash was saying we're ok with taking these risks in the grey area."*
>
> *"DoorDash remains even looser to this day… Say you're looking at a bike courier's background. Say it turns out they lived in Michigan. You're at a decision point. There might not be any electronic way to retrieve the records on that individual in Michigan, [but] there are physical runners. [But] it costs more… Unless you pay for the upgraded package that gets the court runner – and then you need to verify those records – which by the way it could be a name like 'Juan Lopez' [making verification difficult] – then you have a 10-day turnaround. But DoorDash wants like a 24 to 48-hour turnaround.* ***We can wait for it, or we can just take these people and push them through. And then suddenly, 30-40% of your funnel leads are in the grey area****."*

Lawsuits and Former Employees Suggest "Loose" Background Checks Allowed for "Flagrant" Abuse of the Platform

We believe the fallout resulting from DoorDash's loose policies are extensive and ongoing. Our view is based on our conversations with former employees, a 2025 lawsuit in which a former employee alleges finding *"extensive verification fraud"* on the platform, and recent lawsuits that have been filed by DoorDash customers which allege, for example, that **the Company onboarded dangerous Dashers with recent charges including multiple DUIs and aggravated assault with a deadly weapon – leading to a drunk driving death and attempted rape.**

Further – given the Company's law enforcement response team ("LERT") appears to be tasked with catching these cases before lawyers or the press are involved – we believe these examples may be just the tip of the iceberg.

May 2025 Lawsuit Alleges "Clusters" of "Fake Identities" Tied to Shared Addresses "Linked to a Broad Spectrum of Criminal Activity"

In May 2025, DoorDash was sued by Emelio Tatis, a former Senior Security Engineer who alleges that the Company retaliated against Tatis after Tatis uncovered significant deficiencies in the Company's identity verification processes.[23] Tellingly, DoorDash attorneys attempted to seal the complaint, arguing that it referenced *"highly confidential and privileged information,"* according to exhibits filed alongside the complaint.

FILED: NEW YORK COUNTY CLERK 05/27/2025 01:16 PM INDEX NO. 156654/2025
NYSCEF DOC. NO. 5 RECEIVED NYSCEF: 05/27/2025

On May 23, 2025, at 6:08 PM, Gomez-Sanchez, Daniel <DSGomez@littler.com> wrote:

Hi John,
I understand you're away for the holiday weekend, and can appreciate you taking time with your family. That said, the Complaint you filed against DoorDash yesterday (which it learned of today) contains references to the Company's highly confidential and privileged information, which are both unnecessary to the prosecution of your client's discrimination claims and invite a counterclaim against your client for breach of his confidentiality agreement. Further, given that you are on notice that the Company maintains an arbitration program governed by the Federal Arbitration Act, this public filing is even more troubling, and potentially evidence of defamatory intent.
To rectify these serious concerns, we would propose that you immediately withdraw the Complaint and file a redacted version that excludes the Company's confidential and privileged information. As a courtesy, please be aware that we will file an order to show cause on Tuesday requesting that the Complaint be sealed if the issue persists through then. We reserve all rights to take further legal action as required to protect the Company's interests consistent with applicable laws.
Best,

Daniel Gomez-Sanchez
Shareholder

Source: Tatis v. DoorDash

[23] Supreme Court of New York, County of New York, case number 156654/2025.

In June 2025, the case was moved to federal court, where portions of the complaint were redacted.[24] The New York case remains unsealed, however, and reveals the scope of content that DoorDash tried to redact as "confidential." In particular, **these sections describe Tatis having in December 2024 uncovered "clusters" of accounts using "fake identities tied to shared residential addresses in New York City… linked to a broad spectrum of criminal activity including identity theft, financial fraud, robbery, and tax evasion."**

59. This evaluation did not reflect Plaintiff's actual performance and served as a pretext for discrimination and retaliation.

60. For example, in December 2024, Plaintiff was instrumental in uncovering $22,000,000 in potential fraud related to the Company's failure to properly verify identifications.

68. Plaintiff worked extensively with Critical Investigations Manager Kristin Kupiec. Through his efforts, Plaintiff identified hundreds of fake identities tied to shared

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FILED: NEW YORK COUNTY CLERK 05/22/2025 11:02 AM INDEX NO. 156654/2025
NYSCEF DOC. NO. 1 RECEIVED NYSCEF: 05/22/2025

residential addresses in New York City, many of which appeared in clusters, with no internal mechanisms in place to detect such anomalies.

69. In response, Plaintiff independently developed custom scripts and a novel methodology to identify these fraudulent clusters—demonstrating initiative, innovation, and an unwavering commitment to the Company's security mission.

70. These fraudulent accounts were linked to a broad spectrum of criminal activity, including identity theft, financial fraud, robbery, and tax evasion.

71. Notably, Plaintiff also surfaced critical issues involving undocumented individuals using the platform through unverified identities—a systemic failure compounded by inadequately configured identity verification tools.

Lawsuits and conversations with ex-employees suggest that customers have also been put into harm's way. According to one former DoorDash employee, incidents such as shootings are not uncommon.

> *"Oh my goodness, I hate to do the negative Nancy, but it is it is absolutely one of the most common. It's almost like a joke that anytime you have a McDonald's case or even like a Starbucks case, you know, happening, you almost can guarantee there's a shooting."*

[24]SDNY case number 1:25-cv-04764-VSB-OTW

> *"We were dealing with kidnappings. You're dealing with anything possibly that could happen with human interaction. Physical fist fights, sexual assaults."*

According to that same employee, DoorDash's primary objective was to keep these incidents both out of the press and out of the courts.

> *"I personally know people that are currently working there that handle – on a daily basis – situations where somebody is physically shot and* ***they're having to do either next of kin calls or doing payouts, settlement for these things*** *… The whole point of those teams is to keep it in-house. These things cannot be placed on I'll say the news. We have obviously PR and things like that,* ***but the whole point is to get it before it gets that far.*** *So, if we can get police to reach out to us and keep it just between us and the investigation that they have, well, there's no need for the Dashers name or that they were driving for DoorDash to be plastered on social media or the Internet."*

> *"As long as these things don't get to where we have an attorney involved or, you know, if you're willing to just work with us before you get an attorney, that's the thought process."*

Despite these efforts, DoorDash hasn't been able to keep *everything* out of court. Two recent lawsuits filed against the Company are particularly illustrative.

18-year-old Rape Victim Sues DoorDash: Charged for Assault with a Deadly Weapon, Yet Still Became a Dasher and Attempted to Rape a Customer

In February 2022, 18-year-old Chloe Thomas ordered food from DoorDash. The Dasher – Taurus Larenzo Young – delivered their food and left. Yet five days later, Young returned to Thomas's home and attempted to rape her. Young had a history of violent crime, with a prior assault verdict that had been rendered in April 2021 – just months before the incident. He spent three years in prison, and was out on parole while Dashing. Thomas first sued DoorDash in November 2023, alleging that DoorDash knew or had reason to know of Young's history. Earlier this year, Thomas sued DoorDash this time in Georgia Superior Court, where the case remains ongoing.

At all times material hereto, DOORDASH knew or had reason to know of YOUNG's violent preoccupation and propensity to act in a violent or inappropriate manner, including but not limited to prior criminal behavior (e.g. aggravated assault with a deadly weapon) during his employment with DOORDASH.

9.

On or about February 16, 2022, YOUNG violently assaulted the Plaintiff in her home. More specifically, YOUNG returned to the Plaintiff's home four days after delivering food to her via the DOORDASH application. YOUNG obtained the Plaintiff's address and other personal information in the course and scope of his employment as an agent of DOORDASH. As a result of the assault, YOUNG was charged with a felony.

Source: Georgia Superior Court Complaint, Filed January 2025

Last month, Thomas filed a request to non-party Checkr, seeking the following information on DoorDash and Checkr's relationship and background check procedures.

"Any and all records relating to background checks completed for DoorDash, Inc., from January 1, 2020 – February 12, 2022 including but not limited to:

- Any contract between DoorDash and Checkr for completing background checks for applicants;
- Cleared applicants vs. denied applicants;
- Number of applicants;

All policies and procedures of background checks performed for DoorDash, Inc.'s applicants, from January 1, 2020 – February 12, 2022, including but not limited to:

- Specific instructions from DoorDash on completing background checks;
- A list of what DoorDash required to be checked/reviewed for each applicant;
- How many years prior to run for an applicant;

Any and all records pertaining to DoorDash applicant, Taurus Lorenzo Young (DOB: xx/xx/1984):

- What information DoorDash requested you to check;
- What information you checked;
- All information you found."

Source: Thomas vs. DoorDash

DoorDash responded with an objection to the request *served on Checkr*, claiming that the request was *"overly broad and unduly burdensome."* We suspect DoorDash doesn't want this information to be made public, as it might bring to light deficiencies in background check procedures. We think Checkr could be forced to hand over the documents regardless. [25] The case remains ongoing, according to the latest docket filings.

Albright vs. DoorDash, Checkr, et al.

In December 2023, Robert Albright sued DoorDash and Checkr after Albright's mother was killed by a drunk driver – a Dasher who already had four prior DUI charges, yet was somehow able to deliver for DoorDash. The case was settled in September 2024.

17. Notwithstanding DOORDASH's acknowledgement of its duty to conduct appropriate security screens and to establish procedures/protocols for "secure background checks"[1] on applicant drivers before they begin to drive and, thereafter, periodically checking for driving violations, impaired driving violations and criminal history, DOORDASH failed to learn LINDOW's history of four DUI convictions, a speeding violation and a recent DUI approximately one month before the accident causing the death of CRAWFORD.

19. On or about November 9, 2022, CRAWFORD was a passenger on a motorcycle operated by her husband, John Blackburn (BLACKBURN). While stopped at the intersection of Greenback and Hazei in the County of Sacramento, LINDOW, driving intoxicated with a blood alcohol level of .23, collided with the back of the motorcycle at a high rate of speed causing the death of CRAWFORD.

20. Following the accident, CRAWFORD survived for some time but later died at the scene of the accident.

21. At the time of the collision, LINDOW was driving for DOORDASH within the course and scope of that agency. Under the terms of his driving agreement with DOORDASH, LINDOW was required to possess a vehicle, hold a valid California driver's license, provide proof of insurance and maintain a clean driving record as qualifications to drive on behalf of DOORDASH.

22. After hearing evidence at a criminal trial in Sacramento County, a jury convicted LINDOW on December 11, 2023 of driving while under the influence of alcohol and second degree murder for the death of CRAWFORD.

Source: Albright vs. DoorDash, Checkr, et al Amended Complaint

DoorDash implies that the Company pays for a *"continuous check feature"* provided by Checkr, as shown in its FAQ below. Curiously, however, DoorDash's exact language – while suggestive – only explicitly states that "Checkr provides" this feature, not necessarily that DoorDash actually pays for it.

[25] In July 2024, as part of the long-running Uber sexual assault litigation, plaintiffs served subpoenas onto non-party Checkr requesting a similar set of items, many of which the court granted. Thomas's request appears to be of a similar nature.

Q: What is the process?

A: DoorDash uses accredited third-party background check providers, including Checkr to run secure background checks on all prospective and existing Dashers. Background checks are initiated as part of the signup process, before allowing individuals to access the platform to accept offers as new Dashers. For the continued safety and security of all members of our community, background check reruns are performed under certain circumstances. This allows us to receive and evaluate potential new or updated criminal history records through real-time data sources.

Additionally, Checkr provides a continuous check feature that can report new offenses occurring after your initial complete background check.

Source: DoorDash FAQ

To that end, according to Checkr's motion to dismiss in the Albright case, **DoorDash had not asked Checkr to actually *employ* its continuous reporting features**.

3. Plaintiffs' counsel did not respond to my letter before filing the original motion on February 13, 2024. Based on Paul Caleo's meet and confer conference call with all counsel on January 19, 2024 it was our position that Plaintiffs' counsel still disagreed with our position that Checkr was legally prohibited from reporting the prior DUI convictions pursuant to Civil Code 1786.18(a)(f) and that there was no request and is no obligation for continuous reporting, which was why the DUI arrest one month before the subject collision was not reported. Given the respective positions, we went ahead and filed the demurrer and motion to strike.

6. Finally, counsel for the plaintiffs confirmed that the incident involving the driver Lindow that occurred in October prior to the fatal accident on 11/9/22 was an arrest for DUI that involved Lindow losing his license immediately. In response to a question, I advised them that Doordash had not asked Checkr to conduct continuous monitoring.

Source: Albright vs. DoorDash, Checkr, et al; Checkr Motion to Dismiss

Former Checkr employees we spoke with told us that continuous monitoring costs an extra $2.00 per month, per person.[26] Uber appears to pay for it, but apparently it's a price too high for DoorDash.

- **Continuous Monitoring:** Once active on the Uber platform, you'll be part of a program that alerts Uber to new offenses. This helps in upholding ongoing safety compliance.

[26] This sentiment was echoed in another ongoing lawsuit against DoorDash, Jager vs. DoorDash (SDNY case number 7:24-cv-09195-KMK); Complaint, at 12: *"There is currently award-winning software available that DoorDash could easily employ… but if DoorDash employed such software in order to weed out drivers who were dangerous and not in compliance with regulations and laws, it would significantly reduce its driver pool, which would undoubtedly have a bearing on DoorDash's bottom line."*

DoorDash's Flimsy "Re-Verification" Claims Cleverly Avoid the Root Issue

In December 2024, DoorDash announced that it would be deploying a series of new "re-verification" efforts, *"to help ensure Dashers are who they say, to keep bad actors off our platform, and to prevent deactivated Dashers from coming back."*

This seems to us like another attempt to pay lip service while doing little to address the root of the problem. See that the Company's partial re-verification process requires the Dasher to submit a "selfie" that matches that Dasher's *previously submitted photo*.[27] This process seems likely to identify Dashers using shared accounts, but seems to do little to nothing to address what we believe to be the far more extensive problem of widespread reliance on ITIN holders, who can just as easily take selfies that match prior selfies or drivers licenses.[28] In other words, one's ability to take a selfie says nothing as to one's legal right to work in the U.S.

> **Q:** How does identity verification work?
>
> **A:** To confirm your identity in a secure way, DoorDash has partnered with Persona on this verification process. In order to keep your personal information and account secure, DoorDash will only ask you to verify your identity through the Dasher app or our partnered third-party vendor, Persona.
>
> When prompted, you may go through one of two types of identity verification:
>
> 1. Full identity verification
> 2. Partial re-verification
>
> For full identity verification, you will go through two sequential steps:
>
> 1. Upload a valid government ID
> 2. Take a selfie to match the picture on the ID
>
> For partial reverification, you will go through one step:
>
> 1. Take a selfie to match pictures you have previously submitted to confirm your identity

Source: DoorDash FAQ

DoorDash's ITIN Golden Goose is Dead, Crackdowns or Not

We anticipate some investors might argue that – even under the current Trump Administration – DoorDash's ITIN-based onboarding might continue unabated. We view this scenario as unlikely, but even if we grant the premise, we believe shareholders face the same outcome, just via a different path.

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[27] DoorDash does not appear to disclose the conditions by which certain Dashers are presented with full vs. partial re-verification requests.
[28] DoorDash discloses that it uses the third-party service Persona for re-verification. Persona confirms that it can match selfies both against "previously collected ID portraits ***or selfies…"***

If DoorDash were to avoid regulatory fallout, then we believe Uber Eats, Grubhub, and others would simply replicate DoorDash's ITIN onboarding processes. Then, with alternative platforms freshly opened to a meaningful portion of Dashers, they'd simply move – recall that per-hour earnings are now materially lower on DoorDash than on other platforms.

DoorDash would not only lose its labor cost advantages, but Dasher pay would reprice upwards, take rates would fall, and GOVs would decline as higher costs and longer customer wait times weigh on order frequency – just as they already have in Seattle. In other words, the flywheel that has allowed DoorDash to take share over the past 3+ years would begin moving in reverse. Heads – DoorDash loses; tails – competitors win.

Appendix 1: Methodology on Dasher Concentrations

The following describes the methodology by which we estimate that the top 12% of Dashers are responsible for 50% of deliveries on the platform. DoorDash's 2023 survey, which relied on Q4 2022 data, states:

> *"…only a few highly active Dashers (the top 12%) average more than 10 hours per week on delivery, while almost three quarters (72%) were below the 4-hour mark… 96% of all Dashers averaged less than 20 hours per week on delivery"*

DoorDash has also disclosed that *"Fewer than 1% of Dashers in Q2 [2021] averaged 30+ active hours per week in the quarter."* Given the above disclosures by the Company, we can determine that:

- 72% of Dashers work less than 4 active hours per week.
- 16% of Dashers work 4 to 10 active hours per week.
- 8% of Dashers work 10 to 20 active hours per week.
- 2% of Dashers work 20 to 25 active hours per week.
- 1% of Dashers work 25 to 30 active hours per week.
- Less than 1% of Dashers work 30+ active hours per week (we assume 0.5%).

For the sake of Company-favorable conservatism, we assume that the bottom 72% cohort works 1.30 hours, on average, and the 30+ hour cohort represents 0.5% of total Dashers (vs. Company disclosure of "less than 1%"). Given these figures, we estimate that the collective Dashers who work 10+ Active Hours, on average, are responsible for 50% of deliveries. The Company has disclosed that just 12% of Dashers average more than 10 hours per week, implying that just 12% of Dashers are also responsible for 50% of deliveries.

Dasher Cohort	% of Dashers	Min Hours	Coefficient	% of Total Hours
Less than 4 hours	72%	1.3	0.94	29%
4 to 10 hours	16%	4	0.64	20%
10 to 20 hours	8%	10	0.80	**25%**
20 to 25 hours	2%	20	0.40	**13%**
25 to 30 hours	1%	25	0.25	**8%**
30+ hours	0.5%	30	0.15	**5%**
Total	99.5%		3.18	

Dashers working 10+ Active Hours	**50%**
10+ Hours as % of Total Dashers	**12%**

DoorDash has continually stated that the "average Dasher spent less than four hours per week on deliveries."[29] More specifically, however,

- In 2022, DoorDash said it had 6 million Dashers who "saved" 378 million "consumer hours."
- In 2023, DoorDash said it had 7 million Dashers who "saved" 446 million "consumer hours."
- In 2024, DoorDash said it had 8 million Dashers who "saved" 531 million "consumer hours."

We believe it is reasonable to interpret "consumer hours" as equivalent to "active Dasher hours" as both metrics reflect the time that a consumer has saved in avoiding food collection, as the Dasher was responsible. Thus,

- In 2022, the average Dasher had 63.0 active hours for the year, or 1.21 hours per week.
- In 2023, the average Dasher had 63.7 active hours for the year, or 1.22 hours per week.
- In 2024, the average Dasher had 66.4 active hours for the year, or 1.28 hours per week.

[29] See 2021 ESG report, February 2024 investor letter, August 2024 conference call, etc.