

Consumer Reporting Companies Settle With FTC Over Allegations They Violated the Fair Credit Reporting Act

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Two companies in the business of selling consumer public record information (as permitted under the Fair Credit Reporting Act [FCRA]), Instant Checkmate, Inc. and InfoTrack Information Services, have agreed to settle with the Federal Trade Commission over allegations that they violated the FCRA. The [complaint](#) against Instant Checkmate alleges that the company promoted its consumer reports to users for use in determining eligibility for employment and housing without following reasonable procedures to ensure the information's accuracy or that the third parties had proper permission to obtain the information. Similarly, the [complaint](#) against InfoTrack alleges that InfoTrack provided information to employers about prospective and current employees, including names on sex offender registries and criminal histories, without using reasonable procedures to ensure maximum accuracy and without providing written notice to consumers of the fact that it reported the information to employers.

In settling the lawsuits, both companies agreed to ensure compliance with the FCRA going forward and to pay civil penalties. Specifically, the [court order](#) against Instant Checkmate prohibits it from furnishing a consumer report to any person who it lacks reason to believe has a permissible purpose to receive the information. The order also requires Instant Checkmate to maintain reasonable procedures designed to limit the furnishing of the information to persons that have permissible purposes to receive them, to maintain reasonable procedures to ensure maximum possible accuracy of the information, and to provide user notices. Instant Checkmate is also required to pay the U.S. Treasury \$525,000 in penalties. Similarly, the [court order](#) against InfoTrack requires it to maintain reasonable procedures to ensure the accuracy of the consumer report information and provide FCRA notices as well as user notices when InfoTrack has provided information that may adversely impact the consumer in his or her ability to find employment. InfoTrack is also required to pay \$1 million in fines.

Tip: This case is a reminder that the Fair Credit Reporting Act remains a priority for the FTC, and companies selling information as permitted by that Act should ensure compliance with its provisions, including having procedures to ensure the accuracy of the information sold.

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