

Employment Screening Company Pays \$2.6 to Settle Alleged FCRA Violations

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A company that provides consumer background reports to employers agreed to pay \$2.6 million to settle charges brought by the Federal Trade Commission that the company violated the Fair Credit Reporting Act (FCRA). The FTC charged that the company (1) failed to reasonably ensure that consumer information in reports it provided to credit reporting agencies was accurate, (2) failed to prevent obviously inaccurate consumer information from being reported to employers, and (3) included information about other individuals in numerous consumer reports. The FTC also alleged that the company failed to comply with the dispute and investigation requirements of the FCRA, which allow consumers to access their own information and challenge any inaccuracies. In addition to the penalty, the settlement requires that the company comply with the requirements of the FCRA, including ensuring that the information in their consumer reports is as accurate as possible and providing consumers with the information in their files and the results of dispute investigations.

Tip: While clients of the screening company were not pursued by the FTC, this case does serve as a reminder that employers that choose to use an employment background screening company should take steps to make sure that the screening company is complying with the FCRA.

1 Min Read

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