

VIOLATIONS FOR BACKGROUND SCREENING COMPANY



One company that is known for performing employment background screenings on potential employees is now going to have to pay several million dollars, around \$2.6 million, to the Federal Trade Commission as a settlement. The Federal Trade Commission says that the HireRight Solutions Incorporation was in violation of the Fair Credit Reporting Act because they did not use the right procedures to ensure that all information provided was actually completely accurate, meaning that many consumers did not receive any copy of the report. This issue is the first of its kind as the Federal Trade Commission has never charged a firm like this of violating the Fair Credit Reporting Act. Along with settling the lawsuit with \$2.6 million, the company has also been banned from being able to continue using such practices, as they are actually considered illegal. HireRight Solutions Incorporation is known for being a company that generally provides background reports to companies on their employees, as well as potential applicants who may have applied for a position with the company. They have helped numerous companies in areas all over to make decisions as to whether or not they should hire an employee based on their background. The Federal Trade Commission, however, has made allegations against the incorporation, stating that when the company provided the consumer reports to different employers, they never took the steps at figuring out whether or not the reports were up to date with the most current and updated information, including criminal records that may have even been expunged. It is for that reason that the Federal Trade Commission decided it was necessary to file a lawsuit against the company. Along with the complaint that was made by the Federal Trade Commission, it is believed that the company also failed to follow specific procedures that would keep certain information about criminal offenses out of the consumer report, which is something the company was supposed to do but simply did not do. Because the company failed to operate properly in the way they were supposed to, the Federal Trade Commission believes that a large number of consumers were denied the employment they had been actively seeking. There are certain requirements that have been set up by the Fair Credit Reporting Act and HireRight Solutions simply did not comply with many of the requirements, including investigating disputes that were made on different files of consumers. Because of its lack of compliance, the company will pay the civil penalty and will also be prohibited from doing certain things.