

News and Legislation Relating to Employment and Background Checks**Federal News and Legislation:****Background Checks**

- On January 12th, Michaels Stores, Inc. (Michaels) was named in a proposed class action lawsuit alleging violations of the Fair Credit Reporting Act (FCRA) for improperly notifying prospective employees that the company conducts background checks. Specifically, the plaintiff alleges that Michaels does not supply a separate document outlining that the retailer may obtain consumer reports on prospective employees, a violation of the FCRA. "Defendant did not provide plaintiff or putative class members with a clear and conspicuous disclosure in writing in a document that consists solely of the disclosure that a consumer report may be obtained for employment purposes," the lawsuit said. The plaintiff seeks to represent a class of individuals who filled out a Michaels' employee applications during the previous two years and submitted to background checks as a result.
(*Raini Burnside v. Michaels Stores Inc.*, No. 6:15-cv-03010 (W.D. Mo., Jan. 12, 2015).)
- On January 7th, Genesis Healthcare LLC (Genesis) was named in a putative class action lawsuit alleging violations of the FCRA by taking adverse employment actions based on consumer reports without providing prospective employees copies of the reports. According to the complaint, plaintiff was offered a position with one of Genesis' subsidiaries in July 2014, but in late July Genesis rescinded the offer after a background check had "red flagged" the plaintiff for a felony conviction, despite plaintiff asserting there was an error. Consequently, the plaintiff alleges that Genesis and its background screening company routinely make adverse hiring decisions based on the reports while failing to provide copies of the background checks and written copies of candidates' rights under the FCRA. "Genesis...was aware of obligations under the FCRA as they relate to employment because it hired GIS not only to perform its background checks but also to (attempt to) provide Genesis' adverse-action notices to job applicants," the complaint said. "Genesis therefore knew of the requirements imposed upon it by the FCRA, and failed to craft a system that would ensure compliance with those requirements."
(*Doris Ramos v. Genesis Healthcare LLC et al.*, No. 2:15-cv-00052 (E.D. Pa., Jan. 7, 2015).)

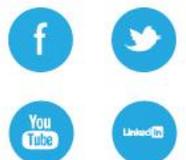
Corporate Headquarters
CARCO Group, Inc.
5000 Corporate Court, Suite 203
Holtsville, NY 11742
Main Telephone Number: 631-862-9300
CARCO Toll-Free Number: 800-969-2272
Fax (Inspection Services Division): 631-862-0380
Fax (Research Division): 631-584-7094
FAX 631/584-0095

Fayetteville Office
CARCO Group, Inc.
1030 Lillington Hwy
Spring Lake, NC 28390
910-497-0081
877-867-2359
Fax: 910-497-0162
sales@carcogroup.com

Palm Beach Gardens Office
4440 PGA Blvd. Suite 306
Palm Beach Gardens, FL 33410
561-249-7300
877-347-7711
Fax: 800-663-0874
sales@carcogroup.com

Tulsa Office
4500 S 129TH EAST AVE, SUITE 127
Tulsa, OK 74134-5801
918-640-6863
800-848-3397
Fax: 918-591-2854
sales@carcogroup.com

Tustin Office
17821 E 17th Street, Suite 160
Tustin, CA 92780
714-547-6541
CA License # 24087
sales@carcogroup.com



www.carcogroup.com

- On January 7th, Paramount Pictures Corp. (Paramount) was named in a putative class action lawsuit alleging the company violated the FCRA by obtaining credit reports from current and prospective employees without adequate disclosure. Specifically, the plaintiff argues that, while applying for a position with the company in 2011, he was provided a disclosure and authorization form as part of his application saying that plaintiff gave permission to previous employers to provide Paramount with "any and all information concerning my previous employment and any other pertinent information." However, Paramount never provided a separate disclosure solely for procuring a credit report, a violation of the FCRA. "Any reasonable employer or consumer reporting agency knows about or can easily discover these obligations," the complaint said. "Despite knowing of these legal obligations, Paramount intentionally and/or recklessly acted consciously in breaching its known duties and depriving plaintiff and other class members their rights under the FCRA." The plaintiff seeks to represent a class whose consumer reports were also obtained by Paramount without a clear and conspicuous disclosure.
(*Peikoff v. Paramount Pictures Corporation*, No. 3:15-cv-00068 (N.D. Cal., Jan. 7, 2015).)

- On January 6th, U.S. Representative Sheila Jackson Lee (D-TX) introduced H.R. 54, "A Bill to Enhance the Security of Chemical Facilities and For Other Purposes." The bill intends "to modify and make permanent the authority of the Secretary of Homeland Security to regulate security practices at chemical facilities." As part of the bill, the Secretary of Homeland Security would have authority to establish standards, protocols, and procedures for security vulnerability assessments and chemical facility security plans, including background check policies for employees and "ensuring appropriate credentials for unescorted visitors." Similarly, the bill would identify "restrictions on use and maintenance of information" related to background checks, including that such information:
 - May not be made available to the public;
 - May not be accessed by an employee of the covered facility, except for an employee in charge of collecting the information; and
 - Shall be maintained confidentially by the covered chemical facility and the Secretary.

Corporate Headquarters
CARCO Group, Inc.
5000 Corporate Court, Suite 203
Holtsville, NY 11742
Main Telephone Number: 631-862-9300
CARCO Toll-Free Number: 800-969-2272
Fax (Inspection Services Division): 631-862-0380
Fax (Research Division): 631-584-7094
FAX 631/584-0095

Fayetteville Office
CARCO Group, Inc.
1030 Lillington Hwy
Spring Lake, NC 28390
910-497-0081
877-867-2359
Fax: 910-497-0162
sales@carcogroup.com

Palm Beach Gardens Office
4440 PGA Blvd. Suite 306
Palm Beach Gardens, FL 33410
561-249-7300
877-347-7711
Fax: 800-663-0874
sales@carcogroup.com

Tulsa Office
4500 S 129TH EAST AVE, SUITE 127
Tulsa, OK 74134-5801
918-640-6863
800-848-3397
Fax: 918-591-2854
sales@carcogroup.com

Tustin Office
17821 E 17th Street, Suite 160
Tustin, CA 92780
714-547-6541
CA License # 24087
sales@carcogroup.com



www.carcogroup.com

Additionally, the bill requires the Secretary of Homeland Security to develop a list of covered chemical facilities based on factors that determine if the facility is a sufficient security risk, including whether the potential threat or likelihood that the facility will be targeted by terrorists and the proximity of the chemical facility to large population centers.

(<https://www.congress.gov/114/bills/hr54/BILLS-114hr54ih.pdf>)

- On January 6th, U.S. Representative Elijah Cummings (D-MD) sent a letter to KeyPoint Government Solutions, Inc. (KeyPoint), a federal government background check provider, requesting more information about its recent data breach (previously reported). In the letter, Cummings cited recent news reports detailing the magnitude of the data breach, including that the personal information of approximately 48,000 federal workers may have been compromised. He also revealed his concern over the possible relation with a prior data breach involving U.S. Investigations Services, LLC (USIS), a prior federal background check provider, whose contract was terminated by the U.S. Department of Homeland Security as a result of a breach. “The increasing number and apparent sophistication of cyberattacks against companies tasked with conducting background checks for the U.S. government poses a clear and present danger to our nation’s security,” Cummings wrote. Accordingly, Cummings seeks answers to 13 information requests by January 30, 2015. He also requests a briefing from KeyPoint’s Chief Information Security Officer by January 26, 2015.
(<http://democrats.oversight.house.gov/sites/democrats.oversight.house.gov/files/documents/2014-1-06%20EEC%20to%20KeyPoint%20Govt.pdf>)

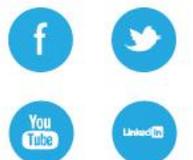
Corporate Headquarters
CARCO Group, Inc.
5000 Corporate Court, Suite 203
Holtsville, NY 11742
Main Telephone Number: 631-862-9300
CARCO Toll-Free Number: 800-969-2272
Fax (Inspection Services Division): 631-862-0380
Fax (Research Division): 631-584-7094
FAX 631/584-0095

Fayetteville Office
CARCO Group, Inc.
1030 Lillington Hwy
Spring Lake, NC 28390
910-497-0081
877-867-2359
Fax: 910-497-0162
sales@carcogroup.com

Palm Beach Gardens Office
4440 PGA Blvd. Suite 306
Palm Beach Gardens, FL 33410
561-249-7300
877-347-7711
Fax: 800-663-0874
sales@carcogroup.com

Tulsa Office
4500 S 129TH EAST AVE, SUITE 127
Tulsa, OK 74134-5801
918-640-6863
800-848-3397
Fax: 918-591-2854
sales@carcogroup.com

Tustin Office
17821 E 17th Street, Suite 160
Tustin, CA 92780
714-547-6541
CA License # 24087
sales@carcogroup.com



www.carcogroup.com