

News and Legislation Relating to Employment and Background Checks

Federal News and Legislation:

Background Checks

- On April 13th, U.S. Attorney General Loretta Lynch, Senior Advisor to the President Valerie Jarrett, and other White House officials announced the creation of the “Fair Chance Business Pledge,” which represents a “call-to-action” for businesses to give individuals with a criminal history the opportunity for employment. The pledge is part of President Obama’s ongoing commitment to reform the criminal justice system and to improve the outcomes of those with criminal histories. Companies to sign the pledge so far include, American Airlines, Inc.; The Coca-Cola Company; Facebook, Inc.; Google, Inc.; The Hershey Company; Starbucks Corp.; Uber Technologies, Inc.; and several others. By signing the pledge, each of these companies is committing to “creating a pathway for a second chance” by taking measures like “banning the box” on employment applications and by not discounting those with criminal records when hiring. Each company wrote their own pledge detailing the specific steps they have taken or will take in order to achieve these goals. For instance, The Coca-Cola Company pledges “not [to] engage in background screening related to criminal history until after a decision has been made. When there is a successful applicant who has a criminal history, our talent acquisition team has in place a process to review the relevancy of the history to make an informed decision.” (<https://www.whitehouse.gov/the-press-office/2016/04/11/fact-sheet-white-house-launches-fair-chance-business-pledge>)
- On April 7th, Uber Technologies, Inc. (Uber) reached a \$25 million settlement with the County of Los Angeles and the County of San Francisco. The settlement ends a lawsuit filed by the two counties accusing Uber of misleading consumers about their safety and the company’s background check procedures. Uber will now be required to change their marketing materials, which previously advertised the service as the “safest ride on the road.” The company has also described its background checks on employees as the “gold standard.” These advertising materials continued to be promoted even after it was revealed that criminals had

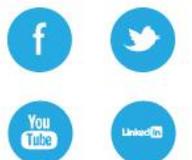
Corporate Headquarters
CARCO Group, Inc.
5000 Corporate Court, Suite 203
Holtsville, NY 11742
Main Telephone Number: 631-862-9300
CARCO Toll-Free Number: 800-969-2272
Fax (Inspection Services Division): 631-862-0380
Fax (Research Division): 631-584-7094
FAX 631/584-0095

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

successfully made it through the company's background screening process. The settlement is comprised of a \$10 million civil penalty along with a \$15 million additional penalty if the company fails to make the necessary changes to its marketing materials within two years. San Francisco District Attorney George Gascon made it clear that this case was a warning to Silicon Valley companies, stating, "It sends a clear message to all businesses, and to startups in particular, that in the quest to quickly obtain market share, laws designed to protect consumers cannot be ignored." (<http://www.cnet.com/news/uber-settles-with-sf-la-over-background-checks/>)

- On April 7th, a putative class action was filed against J.B. Hunt Transport, Inc. (J.B. Hunt), a trucking company, for allegedly violating the Fair Credit Reporting Act (FCRA) in its background check procedures. The plaintiff claims that J.B. Hunt did not disclose to him and other prospective employees that it was obtaining a copy of their credit reports during the hiring process. The plaintiff also alleges that J.B. Hunt failed to provide applicants the opportunity to dispute the findings after making an adverse hiring decision. According to the complaint, J.B. Hunt "violated the FCRA by not obtaining proper authorization from named plaintiffs and those similarly situated to procure consumer reports and by not providing them with proper disclosure of their rights after defendant made an adverse employment decision based wholly or in part on consumer reports." The plaintiff seeks statutory damages of between \$100 and \$1,000 per class member. The case is *Stanley Napier v. J.B. Hunt Transport Inc.*, case number 1:16-cv-01955, in U.S. District Court for the District of New Jersey.

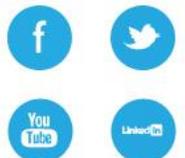
Corporate Headquarters
CARCO Group, Inc.
5000 Corporate Court, Suite 203
Holtsville, NY 11742
Main Telephone Number: 631-862-9300
CARCO Toll-Free Number: 800-969-2272
Fax (Inspection Services Division): 631-862-0380
Fax (Research Division): 631-584-7094
FAX 631/584-0095

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