

Another Company gets hit with FCRA Class Action

You may have heard recently the repeated cries of legal publications about the ever increasing EEOC enforcement and FCRA Class Actions against employers or more importantly your offices. Politically motivated EEOC and Litigation hungry attorneys have found a new industry that have them foaming at the mouth, Adverse Action and proper policy on Disclosure and Authorizations requirements during the hiring process. If these two processes have not been reviewed in the last six months, I recommend that you drop everything you are doing RIGHT NOW, and call your counsel and start an immediate review of your documents and hiring practices.

A class action lawsuit was filed against Amazon on April 7, 2015, (Williams vs Amazon in Seattle) for a process failure from their staffing firm. It alleges the staffing firm failed to comply with adverse action notice requirements of the Federal Credit Reporting Act of the FCRA, where employment was not given due to a past criminal matter. Adverse Action was not followed and the applicant at no time received a copy of his report or received any pre adverse action documents required by FCRA. The FCRA is clear, if the employer intends to take adverse action as a result of a report of his past history(criminal, driving, credit, references etc) there are mandated steps the employer must take in order to give the applicant an opportunity to dispute the report. Gone are the days of, "I chose somebody more qualified", these are now the days of documentation. You must document why each applicant was not chosen, preferably by a panel of your HR team, following the hiring policies set up by your legal counsel.

Amazon, will have to spend a lot of money to defend themselves for allowing their vendor (staffing firm) to be so complacent, the staffing firm will lose the business of a large customer and another lawsuit will be probably be settled for cost savings, giving even more legitimacy to the crazy worldwind of this new trend of litigation. Other Companies in this same predicament are Napa Auto Parts, O'reilly Auto Parts, Whole Foods and many more.

Again, stop what are you doing right now, get with your Consumer Reporting Agency(background company) and your legal counsel and get everybody on the same page and get your documents and your processes in order and compliant with EEOC and FCRA requirements.

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