

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLORADO

Civil Action No. F Y

FEDERAL TRADE COMMISSION, and
CONSUMER FINANCIAL PROTECTION BUREAU,

Plaintiffs,

v.

TRANSUNION RENTAL SCREENING SOLUTIONS, INC, a Delaware corporation and
TRANS UNION LLC, a Delaware limited liability company,

Defendants.

STIPULATED ORDER FOR PERMANENT INJUNCTION,
MONETARY JUDGMENT, CIVIL PENALTY JUDGMENT, AND OTHER RELIEF

The Federal Trade Commission (“FTC”) and Consumer Financial Protection Bureau (“Bureau”) (collectively, “Plaintiffs”) filed their Complaint for permanent injunctive relief,

Judgment, Civil Penalty Judgment, and Other Relief (“Order”) to resolve all matters in dispute in this action between them.

THEREFORE, IT IS ORDERED as follows:

DEFINITIONS

For the purpose of this Order, the following definitions apply:

A. “Adverse Action” means:

1. A denial or cancellation of, an increase in any charge for, or a reduction or other adverse or unfavorable change in the terms of coverage or amount of, any insurance, existing or applied for, in connection with the underwriting of insurance;
2. A denial of employment or any other decision for employment purposes that adversely affects any current or prospective employee
3. A denial or cancellation of, an increase in any charge for, or any other adverse or unfavorable change in the terms of, a license or ~~other~~ benefit granted by a governmental instrumentality required by law to consider an applicant’s financial responsibility or status;ro
4. An action taken or determination that is:
 - a) made in connection with an application that was made by, or a transaction that was initiated by, any consumer, or in connection with a review of an account to determine whether the consumer continues to meet the terms of the account; and
 - b) adverse to the interests of the consumer.

B. “Affected Consumer” includes:

1. Each consumer who, between December 1, 2015 and the date of entry of this Order, disputed a record with Defendants, either directly or through a reseller, as

a change related to an Eviction Proceeding Record that the Defendants associate with such consumer, and where the dispute concerned the disposition or outcome of an Eviction Proceeding, a “judgment amount” associated with an Eviction Proceeding, or the reporting of a Sealed Record from an Eviction Proceeding.

2. Each consumer for whom the following conditions are met:

- a) Defendants issued a recommendation between September 1, 2016 and the date of entry of this Order that the consumer’s application for housing be denied based on an Eviction Proceeding Record that the Defendants associated with such consumer and the criteria associated with the customer receiving the recommendation, and
- b) Defendants associated an Eviction Proceeding Record with the consumer that did not have an associated final outcome.

C. “Background Screening Report” means a Consumer Report provided for employment or rental background screening purposes that incorporates or includes either an Eviction Proceeding Record or criminal record information or otherwise reflects a search for Eviction Proceeding Records or criminal record information, including when provided to a reseller.

D. “Bureau Enforcement Director

which is used or expected to be used or collected in whole or in part for the purpose of serving as a factor in establishing the consumer's eligibility for any of the following purposes

1. Credit or insurance purposes
2. Employment purposes
3. By a person which the Consumer Reporting Agency has reason to believe
 - a) intends to use the information for employment purposes
 - b) intends to use the information in connection with a determination of the consumer's eligibility for a license or other benefit granted by a governmental instrumentality

knowledge concerning any such items of information. However, such information shall not include specific factual information on a consumer's credit record obtained directly from a creditor of the consumer or from a Consumer Reporting Agency when such information was obtained directly from a creditor of the consumer or from the consumer.

M. "Related Consumer Action" means a private action by or on behalf of one or more consumers or an enforcement action by another governmental agency brought against either or both Defendants based on substantially the same facts as described in the Complaint.

N. "Sealed Record

B. Failing to, upon a consumer's request for such Consumer's File, clearly and accurately disclose to the consumer all sources of all information in the Consumer's File, including but not limited to any vendors or other third parties from which Defendants have acquired criminal record or Eviction Proceeding Record information in the Consumer's File; except that the sources of information acquired solely for use in preparing an Investigative Consumer Report and actually used for no other purpose need not be disclosed;

II. AFFIRMATIVE REQUIREMENTS

IT IS FURTHER ORDERED that Defendants must, in connection with the provision of Background Screening Reports:

A. Develop, implement, and follow written procedures reasonably designed to prevent the inclusion in Background Screening Reports of any of the following: (1) any Sealed Record, (2) any Eviction Proceeding Record that does not have a final outcome, (3) multiple filings for any Eviction Proceeding, (4) any filing for an Eviction Proceeding other than the most recent filing evidencing the outcome or superseding judgment filing, such as satisfaction or release of a final judgment, or (5) any monetary amount associated with Eviction Proceeding Record other than a final judgment amount or an amount reflecting full or partial satisfaction of such judgment; provided that Defendants must disclose to customers that any amount reported may include attorney or court fees or costs. Defendants also must monitor the effectiveness of the procedures, take corrective action to address identified issues, and retain records sufficient to demonstrate the implementation of this provision;

B. Maintain a program to regularly monitor consumer dispute data relating to criminal records and Eviction Proceeding Records and to take corrective action internally or with public

records providers, including but not limited to vendors or other third parties from which Defendants directly acquire criminal record or Eviction Proceeding Record information, that includes root cause analysis of aggregated issues, and retain records sufficient to demonstrate the program, the issues identified, and the corrective action taken;

C. Maintain a committee, comprised of individuals responsible for: (1) the execution of Defendants' compliance with the FCRA with respect to the provision of Background Screening Reports; and (2) overseeing Defendants' compliance with this Order and the programs required by this Section. The committee must: (1) meet at least quarterly, (2) retain records sufficient to demonstrate the work of the committee, including minutes and materials from each meeting, and (3) regularly report on its work and Defendants' compliance with the FCRA with respect to the provision of Background Screening Reports and this Order to the Board of Directors or a committee of the Board of Directors of the ul.4 (d)-46hing3 (s)-22 (o)-44.3 (f)-11yhie-nd oehinomt todm

C. The Redress Plan must:

1. Specify the methodology that Defendants are using to identify Affected Consumers and state the number of Affected Consumers;
2. Require Defendants to compensate by check each Affected Consumer on a pro rata basis;
3. Identify the amount of redress to be provided to each Affected Consumer;
4. Describe the processes for issuing, delivering, and tracking payments to all Affected Consumers, including the processes for handling any unclaimed funds;
5. Specify the methodology Defendants will use to identify the mailing address for each Affected Consumer, which must include reasonable efforts to identify current mailing addresses, including and in addition to the U.S. Postal Service National Change of Address.

8. Provide that if an initial mailing attempt fails, Defendants shall conduct further research to identify the Affected Consumer's current mailing address and make at least one further mailing attempt;
 9. Provide an exemplar of the Redress Notification Letter and envelope;
 10. Describe timeframes and deadlines for implementing the Redress Plan, including the period during which redress checks will remain valid and available to negotiate;
 11. State that Defendants will pay all costs of administering redress required by this Order; and
 12. Describe all reporting that Defendants will provide to the Bureau and FTC concerning the Defendants' provision of redress.
- D. w7 (nt)44.7J -0.023 Tcn(t)44.4 (of)32.6 (dy <</MTd) u n

F. Defendants may not condition the payment of any redress to any Affected Consumer under this Order on that Affected Consumer waiving any right.

VI. ORDER TO PAY CIVIL MONEY PENALTY

IT IS FURTHER ORDERED that:

A. Under Section 1055(c) of the CFPA, 12 U.S.C. § 5565(c), by reason of the violations of

F. Within 30 days of the entry of a final judgment, order, or settlement in a Related Consumer Action, the affected Defendant must notify the Bureau of the final judgment, order, or settlement in writing. That notification must indicate the amount of redress, if any, that such Defendant paid or is required to pay to consumers and describe the consumers or classes of consumers to whom that redress has been or will be paid. To preserve the deterrent effect of the civil money penalty in any Related Consumer Action, Defendants may not argue that any Defendant is entitled to, nor may any Defendant benefit by, any offset or reduction of any monetary remedy.

i0(dg)08

IX. ORDER ACKNOWLEDGMENTS

IT IS FURTHER ORDERED that Defendants obtain acknowledgments of receipt of this Order:

- A. Each Defendant, within 7 days of entry of this Order, must submit to the FTC and Bureau an acknowledgment of receipt of this Order sworn under penalty of perjury.
- B. For 5 years after entry of this Order, each Defendant must deliver a copy of this Order to:
 - (1) all principals, off

to communicate with that Defendant; (2) identify all Defendant Trans Union LLC's businesses involved in providing legal or compliance support to Defendant TransUnion Rental Screening Solutions, Inc. by all of their names, telephone numbers, and physical, postal, email, and Internet addresses; and (3) be the legal or compliance support provided to Defendant TransUnion Rental Screening Solutions, Inc. and the involvement of any other Defendant.

2. Defendant TransUnion Rental Screening Solutions, Inc. must, sworn under penalty of perjury: (1) identify the primary physical, postal, and email address, telephone number, as designated points of contact, which representatives of the Bureau or FTC may use to communicate with that Defendant; (2) identify all Defendant's businesses by all of their names, telephone numbers, and physical, postal, email, and Internet addresses; and (3) describe the activities of each such business including the products and services offered, and the involvement of any other Defendant.

B. Ninety days after entry of this Order, each Defendant must submit to the FTC and Bureau a list of all persons and their titles to whom this Order has been delivered pursuant to the Section of this Order titled "Order Acknowledgements."

C. One year after entry of this Order, each Defendant must submit a compliance report to the FTC and Bureau, sworn under penalty of perjury, in which, at a minimum, each Defendant must (1) describe in detail whether and how that Defendant is in compliance with each paragraph of this Order; and (2) provide a copy of each Order Acknowledgment obtained pursuant to the

F. Defendants must submit to the FTC or Bureau reports under penalty of perjury on all payments made pursuant to this Order. Defendants must submit a report quarterly and at the conclusion of redress and any disgorgement summarizing their payment compliance, including stating the total number of, and dollar amounts for, Affected Customers, checks mailed, and checks negotiated.

G. Any submission to the FTC or Bureau required by this Order to be sworn under penalty of perjury must be true and accurate and comply with 28 U.S.C. 1746, such as by concluding: “I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on: _____” and supplying the date, signatory’s full name, title (if applicable), and signature.

H. Unless otherwise directed by an FTC representative in writing, all submissions to the FTC pursuant to this Order must be emailed to DEbrief@ftc.gov or sent by overnight courier (not the U.S. Postal Service) to: Associate Director for Enforcement, Bureau of Consumer Protection, Federal Trade Commission, 600 Pennsylvania Avenue NW, Washington, DC 20580. The subject line must begin: FTC & CFPB v. TransUnion 1823204.

I. Unless otherwise directed by a Bureau representative in writing, all submissions to the Bureau pursuant to this Order must be emailed to Enforcement_Compliance@cfpb.gov, with the subject line, “FTC and CFPB v. TransUnion Rental Screening Solutions, Inc. and Trans Union LLC, Case No. [Insert District Court Case Number].”

XI. RECORDKEEPING PROVISIONS

IT IS FURTHER ORDERED that Defendants must create certain records for 5 years after entry of this Order and retain each such record for 5 years. Specifically, Defendants, in

connection with the provision of Background Screening Reports, must create and retain the following records:

- A. Accounting records showing the revenues from all products or services sold;
- B. Personnel records showing, for each person providing services, whether as an employee or otherwise: name, addresses, and telephone numbers; job title or position; date of hire, and, if applicable, the reason for termination;
- C. Complaints concerning the subject matter of this Order, whether received directly or indirectly, such as through a third party, and any response;
- D. All employee training materials concerning the subject matter of this Order; and
- E. All records necessary to demonstrate full compliance with each provision of this Order, including all submissions to the FTC or Bureau.

XII. COMPLIANCE MONITORING

IT IS FURTHER ORDERED that, by the 21st day of June 2016, the Defendant(s) shall comply with the provisions of this Order. (a40v)

SO STIPULATED AND AGREED:

FOR PLAINTIFFS:

FOR FEDERAL TRADE COMMISSION

Dated: 2 F W R E H U

V : K L W Q H \ O R R U H

WHITNEY MOORE (DC BarNo. 496842)
JARAD BROWN (CA BarNo. 294516)
Division of Privacy and Identity Protection
Federal Trade Commission
600 Pennsylvania Ave, NW, Mail Stop 60315
Washington, DC 20580
(202) 326-2645 (Moore)
(202) 326-2927 (Brown)
(202) 326-3392 (fax)
wmoore@ftc.gov
jbrown4@ftc.gov

*Attorneys for the Plaintiff Federal Trade
Commission*

FOR CONSUMER FINANCIAL PROTECTION
BUREAU

Dated: 2 F W R E H U

PLDFK

EMILY SACHS (VA No. 82437)
PHILLIP HARRIS (NC No. 39740, AZ No. 036513)
JOSEPH SANDERS (IL No. 6308241, NY No. 4397204)
REBECCA SMULLIN (DC No.1017451, CA No. 250274)
1700 G Street NW
Washington, DC 20552
(202) 435-9424 (Sachs)
(202) 435-7768 (Harris)
(202) 377-9846 (Sanders)
(202) 435-7546 (Smullin)
emily.sachs@cfpb.gov
phillip.harris@cfpb.gov
joseph.sanders@cfpb.gov
rebecca.smullin@cfpb.gov

*Attorneys for the Plaintiff Consumer Financial Protection
Bureau*

Timothy J. Martin

One City Center
850 Tenth Street NW

(202) 662-5146
vhletko@cov.com

*Attorney for Defendants Trans Union Rental
Screening Solutions, Inc. and Trans Union LLC*

FOR TRANSUNION RENTAL SCREENING

sf Timothy J. Martin

Dated: October 5, 2023

TIMOTHY J. MARTIN
Executive Vice President – Solutions, Trans

*An authorized signatory for Trans Union LLC
Screening Solutions, Inc.*