

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.

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COMPLAINT

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The Federal Trade Commission (“FTC”) and Consumer Financial Protection Bureau (“Bureau”) (collectively, “Plaintiffs”) bring this action against TransUnion Rental Screening Solutions, Inc. (“TURSS”) and Trans Union LLC (“TULLC”) (collectively, “Defendants”) and allege as follows

1. The FTC brings this action under Section 13(b) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §3(b), and Section 621(a)(1) of the Fair Credit Reporting Act (“FCRA”), 15 U.S.C. §1681s(a)(1), which authorize the FTC to seek, and the Court to order,

2. The Bureau brings this action under Sections 1054(a) and 1055 of the Consumer Financial Protection Act of 2010 ("CFPA"), 12 U.S.C. §§ 4(a) and 5565, and Section 621(b) of the FCRA, 15 U.S.C. § 681(b)(1)(H), which authorize the Bureau to seek, and the Court to order, permanent injunctive relief, monetary relief, money penalties, and other relief for Defendants' acts or practices in violation of the FCRA, 15 U.S.C. §§ 1681-1681x.

### INTRODUCTION

3. In numerous instances, Defendants have violated the FCRA by failing to follow reasonable procedures to assure maximum possible accuracy of information in background screening reports that landlords and others rely on, among other things, to make rental decisions about specific consumers ("Tenant Screening Reports"), and by failing to accurately disclose to consumers the sources of information in background screening reports.

4. Inaccurate and outdated information in Tenant Screening Reports can significantly interfere with consumers' ability to find housing and cause them harm, including, but not limited to, prolonged housing searches, additional application fees, time and money spent correcting errors, higher rental payments, temporary housing costs, and denial of housing.

5. Plaintiffs filed this Complaint to stop Defendants' unlawful practices, to obtain relief for harmed consumers, and to obtain a penalty.

### JURISDICTION AND VENUE

6. This Court has subject matter jurisdiction over this matter under 28 U.S.C. §§ 1331, 1337(a), and 1345, and 12 U.S.C. § 5565(a)(1).

7. Venue is proper in this district under 28 U.S.C. § 1391(b)(1) and (b)(2), 15 U.S.C. § 53(b), and 12 U.S.C. § 5564(f) because Defendants are located, reside, or do business in this district and because a substantial part of the events or omissions giving rise to the claims occurred in this district.

#### PLAINTIFFS

8. The FTC is an independent agency of the United States Government created by the FTC Act, which authorizes the FTC to commence this district court civil action by its own attorneys. 15 U.S.C. §§41-58. The FTC enforces Section 5(a) of the FTC Act, 15 U.S.C. §45(a), which prohibits unfair or deceptive acts or practices in or affecting commerce. The FTC also enforces the FCRA, 15 U.S.C. §§1681-1681x, which imposes duties upon consumer reporting agencies.

9. The Bureau is an independent agency of the United States Government created by the CFPB 12 U.S.C. § 5491(a). The Bureau is charged with enforcing Federal consumer financial laws, including the CFPB and the FCRA. 12 U.S.C. §§5491(a), 5481(12), (14). The Bureau is authorized to initiate federal district court proceedings by its own attorneys to address violations of Federal consumer financial law, including the CFPB and FCRA. 12 U.S.C. § 5564(a)(b).

#### DEFENDANTS

10. Defendant TURSS is a Delaware corporation with its principal place of business in Greenwood Village, Colorado and is a wholly owned subsidiary of Defendant TU.LLC

11. Defendant TU LLC is a Delaware limited liability company with its principal place of business in Chicago, Illinois. TU LLC operates TURSS as a business unit and performs a variety of shared services for TURSS, including legal and compliance, accounting and finance, marketing and public relations, data science, and human resources. TURSS also develops and approves FCRA-related policies and procedures used by TURSS. Throughout the relevant time period, TU LLC, through its officers or employees, has been responsible for, among other things, management and oversight of TURSS's FCRA compliance policies and procedures, including monitoring and testing for regulatory compliance and compliance training. TU LLC participated in, directed, or authorized the acts and practices set forth in this Complaint.

12. Defendants transact or have transacted business in this district throughout the United States. At all times material to this Complaint, acting alone or in concert with others, Defendants have furnished background reports about consumers in Colorado and throughout the United States.

#### VIOLATIONS OF THE FAIR CREDIT REPORTING ACT

13. Enacted in 1970, the FCRA became effective on April 25, 1971, and has been in force since that date. It has been amended several times, including by the Fair and Accurate Credit Transactions Act in December 2003 and the Dodd-Frank Act in July 2010.

14. TURSS, through its provision of tenant and employment background screening reports, and TU LLC, through its provision of credit and other reports, are and have been "Consumer Reporting Agencies," as defined in Section 603(f) of the FCRA, 15 U.S.C. § 1681a(f). That section defines a Consumer Reporting Agency as





22. TURSShasfurnished hundreds of thousands of Consumer Reports containing Eviction Proceeding Records to clients every year.

Failure to Follow Reasonable Procedures to  
Assure Maximum Possible Accuracy

23. Section 607(b) of the FCRA, 15 U.S.C. § 1681e(b), requires that “[w]henver a [C]onsumer [R]eporting [A]gency prepares a [C]onsumer [R]eport it shall follow reasonable procedures to assure maximum possible accuracy of the information concerning the individual about whom the report relates.”

24. In numerous instances, TURSS failed to follow reasonable procedures to assure maximum possible accuracy of Eviction Proceeding Records in its Tenant Screening Reports. TURSS has not followed reasonable procedures (1) prevent the inclusion of multiple entries for the same eviction case in Eviction Proceeding Records (2) accurately

28. TURSS also previously reported Events from one case interspersed with Events related to other cases

29. For example prior to April 2021, TURSS would display a single eviction case that had two E



### Inaccurate Dispositions for Eviction Cases

33. TURSS has failed to follow reasonable procedures to assure that the Eviction Proceeding Records in Tenant Screening Reports accurately reflect the true or current status of the public records, such as the final disposition of the case.

34. In numerous instances, TURSS provided Tenant Screening Reports with errors including Eviction Proceeding Records that do not identify a final disposition and merely indicate that an eviction case was initiated even if a later or final disposition is available in public records. TURSS has also provided Tenant Screening Reports with Eviction Proceeding Records that have an incorrect final disposition, such as reporting a judgment for the plaintiff when a case was actually dismissed.

35. In numerous instances, the final disposition or other update that was missing or incorrect had occurred months or years prior to the date of the Tenant Screening Report.

36. TURSS has received numerous consumer disputes regarding the errors described in Paragraph 34 that should have alerted it to this problem.

37. TURSS purchases the information that goes into Eviction Proceeding Records from a third-party vendor, LexisNexis Risk and Information Analytics Group, Inc. ("LexisNexis").

38. TURSS has not imposed specific requirements on LexisNexis regarding the accuracy and completeness of information in Eviction Proceeding Records. Indeed, TURSS's contract with LexisNexis has provided that:

[LexisNexis] will use reasonable efforts to deliver the [LexisNexis] Services to compile information gathered from public records used in the provision of the

[LexisNexis] Services; provided, however, that [TURSS] accepts all information "AS IS." [TURSS] acknowledges and agrees that [LexisNexis] obtains its data from third-party sources, which may or may not be completely thorough and accurate, and that [TURSS] shall not rely on [LexisNexis] for the accuracy or completeness of information supplied through the [LexisNexis] Services.

39. Prior to April 2020, TURSS's procedures allowed it to report Eviction Proceeding Records without regard to when an update on the records was obtained from a particular source. In April 2020, TURSS implemented process changes in an attempt to reduce the number of Eviction Proceeding Records it reported with out-of-date dispositions. But TURSS only took these steps after receiving

44. For example, TURSS included amounts in the “Judgment Amount” field even when there was no final disposition in an eviction case or when an eviction case was dismissed or resolved in the tenant’s favor, giving the impression that there was a final judgment of a particular amount against a tenant when there was none.

45. In March 2019, TURSS changed the name of this field in at least some of its reports to “Amount.” However, this vague label still does not assure maximum possible accuracy because TURSS

Specifically, the updates may not have included changes to eviction cases more than one year old if the only record was a civil new filing, even if those records were subsequently sealed

50. TURSS had notice no later than June 2018 that the records referenced in Paragraph 49 may not have been updated.

#### Results of Failure to Follow Reasonable Procedure

51. As a result of TURSS's failure to follow reasonable procedures to assure maximum possible accuracy, multiple instances, TURSS has provided Consumer Reports with incorrect and misleading information regarding consumers, including current or prospective tenants

52. Throughout the relevant time period, TURSS received tens of thousands of consumer disputes about the Eviction Proceeding Records in its Consumer Reports

53. TURSS's failure to follow reasonable procedures to assure maximum possible



Count I – Violations of Section 607(b) of the FCRA

61. As described in Paragraphs 23 through 53 and in numerous instances, Defendant TURSS has failed to follow reasonable procedures to assure maximum possible accuracy of Consumer Report information.

62. By and through the acts and practices described in Paragraph 61, Defendant TURSS has violated Section 607(b) of the FCRA, 15 U.S.C. § 1681e(b).

63. By and through the acts and practices described in Paragraph 61, Defendant Trans Union LLC has violated Section 607(b) of the FCRA, 15 U.S.C. § 1681e(b).

Count II – Violations of Section 609(a) of the FCRA

64. As described in Paragraphs 54 through 60, and in numerous instances, Defendant TURSS has failed

- c. award such monetary relief as the Court finds necessary, including but not limited to refund of moneys paid, restitution, disgorgement or compensation for unjust enrichment, and payment of damages;
- d. order Defendants to pay the FTC's and Bureau's costs incurred in connection with proceeding with this action; and
- e. award additional relief as the Court determines to be just and proper.

Dated: 2 F W R E H U

Respedtfully submitted

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