

\$4 Million Settlement in Dollar General Background Check Class Action Tentatively Approved

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A Virginia court has tentatively approved a proposed settlement between retailer Dollar General and a nationwide class of job applicants. The settlement, totaling approximately \$3.81 million, provides \$53 each to individuals who claimed Dollar General violated the Fair Credit Reporting Act by failing to give required notice about the use of background checks and an opportunity to correct mistakes in the reports before denying them jobs. A second settlement class covers individuals who were subject to background checks but not necessarily denied jobs, and provides for injunctive relief. The lawsuit included allegations that the allegedly deficient notice was sent by Dollar General's background check vendor. A fairness hearing on the proposed settlement is scheduled for February 26, 2015.

TIP: Employers should take a second look at their background check process in light of recent class actions under the Fair Credit Reporting Act, and they should not assume their background check vendor is compliant.

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