# UNITED STATES DISTRICT COURT NORTHERN DISTRICT OF GEORGIA ATLANTA DIVISION

ADAM CLEGG, individually	)
and on behalf of all others	)
similarly situated,	)
Plaintiff,	CIVIL ACTION NO.:
v.	) CLASS ACTION
BARADA ASSOCIATES INC.,	) JURY TRIAL DEMANDED
Defendant.	)
	)
	)

## **CLASS ACTION COMPLAINT**

# I. PRELIMINARY STATEMENT

1. Plaintiff Adam Clegg, individually and on behalf of all others similarly situated, file this Class Action Complaint against Barada Associates Inc. ("Barada" or "Defendant"). Plaintiff alleges, based on personal knowledge as to Defendant's actions and upon information and belief as to all other matters, as follows:

# II. NATURE OF THE CASE

2. This is an action based upon Barada's multiple violations of the Fair Credit Reporting Act, 15 U.S.C. §§ 1681-1681x ("FCRA"). Plaintiff brings this action on behalf of hundreds, if not thousands, of employment applicants

throughout the country who have been the subject of unfair, prejudicial, misleading and illegal background reports performed by Barada and sold to employers. Barada has adopted and maintained a policy and practice of knowingly, intentionally, recklessly and willfully reporting outdated adverse public record information that is required to be excluded from the consumer reports that it sells.

- 3. Barada's practice harms consumers seeking employment by prejudicing their employers and prospective employers with outdated, adverse information, and also harms interstate commerce as a whole.
- 4. The prejudice caused by the erroneous reporting of outdated adverse public record information is exacerbated by Barada's failure to notify the consumer contemporaneously of the fact that the erroneous outdated information is being sent to an employer or prospective employer, and Barada's failure to maintain strict procedures to insure that adverse information it reports is accurate, complete and up to date and that outdated adverse public record information is removed from its reports.

# III. JURISDICTION & VENUE

- 5. Jurisdiction of this Court arises under 15 U.S.C. § 1681p and 28 U.S.C. § 1331.
  - 6. Venue lies properly in this district pursuant to 28 U.S.C. § 1391(b).

## IV. PARTIES

- 7. Plaintiff Adam Clegg is an adult individual who resides in Suwanee, Georgia.
- 8. Defendant Barada is a consumer reporting agency that regularly conducts business in the state of Georgia, and which has a principal place of business located in Rushville, Indiana.

## V. <u>FACTUAL ALLEGATIONS</u>

# A. Barada's Practices As A Consumer Reporting Agency And <u>Furnisher Of Consumer Information For Employment Purposes</u>

- 9. At all times pertinent hereto, Barada was a consumer reporting agency ("CRA") as defined by section 1681a(f) of the FCRA.
- 10. At all times relevant hereto, Plaintiff was a "consumer" as that term is defined by section 1681a(c) of the FCRA.
- 11. Among other things, the FCRA regulates the collection, maintenance, and disclosure of consumer reports by CRAs, including public record information.
- 12. Barada investigates and reviews public record databases and maintains consumer files which contain public record information concerning, among other things, the alleged criminal record history of individuals.
- 13. From its files, Barada sells consumer reports to potential employers wishing to investigate the criminal record history, or lack thereof, with regard to various job applicants.

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- 14. When a CRA produces a copy of a consumer's report to the consumer or a third party, the CRA is required to exclude adverse items of information, including records of arrest, which antedate the consumer report by more than seven years. *See* 15 U.S.C. § 1681c(a)(5).
- 15. Adverse items of information, such as records of arrest which antedate the consumer report by more than seven years, may be included in a consumer report, but only for consumer reports used in connection with the employment of any individual at an annual salary which equals, or which may be reasonably expected to equal \$75,000, or more. *See* 15 U.S.C. § 1681c(b)(3).
- 16. Despite these clear and unambiguous requirements of the FCRA, Barada sells adverse items of information, including records of arrest, which predate the consumer report by more than seven years, before Barada knows or would have any reason to know that the consumer credit report is being used in connection with the employment of an individual who meets the FCRA salary threshold requirement of an annual salary of \$75,000 or more.
- 17. Based on a common policy and practice, Barada regularly and unlawfully reports outdated criminal records.
- 18. Barada's practice not only violates the FCRA as a matter of law, it exacts serious consequences on consumer job applicants and interstate commerce.

  When consumers have been reported as having criminal records that are required

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by law not to be reported, they are viewed as less desirable job applicants and more likely not to be hired or continue to be employed by the employers who pay Barada for such reports.

- 19. Further, such consumers are prejudiced in their ability to adequately determine whether the information is being property reported. Pursuant to Barada's practice, by the time the consumer is made aware of the reporting of outdated adverse information, it is too late to correct the contents of the report because it has already been sold to the employer by Barada and has formed the basis of a decision to hire the applicant.
- 20. Despite its duties to refrain from reporting outdated adverse information, Barada has nonetheless negligently, deliberately, willfully, intentionally, recklessly and negligently adopted a policy and practice that disregards this duty, in violation of the FCRA.

## B. Plaintiff's Experience With Barada

- 21. In about November 2018, Leidos Health purchased a consumer report from Barada regarding Mr. Clegg for a six-month project to which he was to be assigned.
- 22. On or about November 19, Barada completed its background report on Mr. Clegg and forwarded the completed report to Leidos Health.

- 23. The background report concerning Mr. Clegg that was provided by Barada to Leidos Health reported that Mr. Clegg had received five years probation and a disposition of "First Offender" for a felony of "Theft by Taking" in Fulton County, Georgia. Barada reported a disposition date of "12/03/2009" and that Mr. Clegg had received a "07/23/2010 Discharge."
- 24. This non-conviction criminal record information against Mr. Clegg should not have appeared on the consumer report, nor should it have been reported to Leidos Health, since it antedated the consumer report by more than seven years. By including the criminal record information on Mr. Clegg's consumer report, Barada caused Mr. Clegg to be denied employment.
- 25. The harm suffered by Mr. Clegg as a result of Barada's actions and omissions was particularized and concrete as he was denied employment directly as a result of Barada's conduct.
- 26. Congress has long provided in the FCRA for the rights of plaintiffs to be free from the reporting of inaccurate information about them. Such inaccurate and defamatory reporting, as performed by Barada in this case, is also grounded in the common law tort of libel and invasion of privacy. Barada published and sold information labeling Mr. Clegg as having received First Offender probation for a felony when, in fact, the information should not have been included on a consumer report in the first place.

- 27. At all times pertinent hereto, Barada's conduct was a result of its deliberate policies and practices, and carried out in reckless disregard for a consumer's rights as set forth in the FCRA, and further assumed an unjustifiably high risk of harm.
- 28. At all times pertinent hereto, Barada was acting by and through its agents, servants and/or employees who were acting within the course and scope of their agency or employment, and under the direct supervision and control of Barada.

# VI. CLASS ACTION ALLEGATIONS

29. Plaintiff brings this action pursuant to the Federal Rules of Civil Procedure 23(a) and 23(b)(3) on behalf of the following Class:

All persons residing in the United States (including all Territories and other political subdivisions of the United States) who, beginning five years prior to the filing of the Complaint and continuing through the resolution of this action, were the subject of any consumer report prepared by Barada Associates Inc. which included any non-conviction criminal record information which antedated the report by more than seven years.

- 30. Plaintiff reserves the right to amend the definition of the Class based on discovery or legal developments.
- 31. Numerosity. FED. R. CIV. P. 23(a)(1). The Class members are so numerous that joinder of all is impractical. Upon information and belief, Barada

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sells hundreds if not thousands of consumer reports each year, and those persons' names and addresses are identifiable through documents maintained by Barada.

- 32. Existence and Predominance of Common Questions of Law and Fact. FED. R. CIV. P. 23(a)(2). Common questions of law and fact exist as to all members of the Class and predominate over the questions affecting only individual members. The common legal and factual questions include, among others, (a) whether Barada willfully violated section 1681c of the FCRA by failing to exclude outdated adverse information in its consumer reports.
- 33. **Typicality. FED. R. CIV. P. 23(a)(3).** Plaintiff's claims are typical of the claims of each Class member. Plaintiff has the same claims for statutory and punitive damages as Class members, arising out of Barada's common course of conduct.
- 34. **Adequacy. FED. R. CIV. P. 23(a)(4).** Plaintiff is an adequate representative of the Class. His interests are aligned with and not antagonistic to, the interests of the members of the Class he seeks to represent, he has retained counsel competent and experienced in such litigation, and he intends to prosecute this action vigorously. Plaintiff and his counsel will fairly and adequately protect the interests of the members of the Class.
- 35. Predominance and Superiority. FED. R. CIV. P. 23(b)(3). Questions of law and fact common to the Class members predominate over

questions affecting only individual members, and a class action is superior to other available methods for fair and efficient adjudication of the controversy. The statutory and punitive damages sought by each member are such that individual prosecution would prove burdensome and expensive given the complex and extensive litigation necessitated by Barada's conduct. It would be virtually impossible for the members of the Class individually to redress effectively the wrongs done to them. Even if the members of the Class themselves could afford such individual litigation, it would be an unnecessary burden on the courts. Furthermore, individualized litigation presents a potential for inconsistent or contradictory judgments and increases the delay and expense to all parties and to the court system presented by the complex legal and factual issues raised by Barada's conduct. By contrast, the class action device will result in substantial benefits to the litigants and the Court by allowing the Court to resolve numerous individual claims based upon a single set of proof in a unified proceeding.

## VII. <u>CAUSES OF ACTION</u>

#### **COUNT I**

# 15 U.S.C. § 1681c (Class Claim)

99. Plaintiff incorporates the foregoing paragraphs as though the same were set forth at length herein.

- 100. At all times pertinent hereto, Defendant was a "person" and "consumer reporting agency" as those terms are defined by 15 U.S.C. § 1681a(b) and (f).
- 101. At all times pertinent hereto, Plaintiff was a "consumer" as that term is defined by 15 U.S.C. § 1681a(c).
- 102. Pursuant to section 1681n of the FCRA, Defendant is liable for willfully violating the FCRA by failing to exclude outdated adverse information in its consumer reports, in violation of 15 U.S.C. § 1681c(a)(5).
- 103. Defendant knew or should have known about its obligations under the FCRA. These obligations are well established in the plain language of the FCRA, in the promulgations of the Federal Trade Commission, and in well-established case law.
- 104. Defendant obtained or had available substantial written materials that apprised it of its duties under the FCRA.
- 105. Despite knowing of these legal obligations, Defendant acted negligently in breaching its known duties and deprived Plaintiff and others similarly situated of their rights under the FCRA.
- 106. Alternatively, Defendant acted willfully in breaching its known duties and deprived Plaintiff and others similarly situated of their rights under the FCRA.

107. Defendant's violation of 15 U.S.C. § 1681e(a) were willful, rendering Defendant liable pursuant to 15 U.S.C. § 1681n. In the alternative, Defendant was negligent, entitling recovery under 15 U.S.C. § 1681o

#### **COUNT II**

# 15 U.S.C. § 1681e(a) (Class Claim)

- 108. Plaintiff incorporates the foregoing paragraphs as though the same were set forth at length herein
- 109. The FCRA requires CRAs to "maintain reasonable procedures designed to avoid violations of section 1681c." 15 U.S.C. § 1681e(a).
- 110. Defendant violated Section 1681e(a) of the FCRA by failing to maintain reasonable procedures to avoid reporting obsolete adverse public record information about Plaintiff and others similarly situated.
- 111. Defendant knew or should have known about its obligations under the FCRA. These obligations are well established in the plain language of the FCRA, in the promulgations of the Federal Trade Commission, and in well-established case law.
- 112. Defendant obtained or had available substantial written materials that apprised it of its duties under the FCRA.

- 113. Despite knowing of these legal obligations, Defendant acted consciously in breaching its known duties and deprived Plaintiff and others similarly situated of their rights under the FCRA.
- 114. Alternatively, Defendant acted willfully in breaching its known duties and deprived Plaintiff and others similarly situated of their rights under the FCRA.
- 115. Defendant's violation of 15 U.S.C. § 1681e(a) were willful, rendering Defendant liable pursuant to 15 U.S.C. § 1681n. In the alternative, Defendant was negligent, entitling recovery under 15 U.S.C. § 1681o.

### PRAYER FOR RELIEF

WHEREFORE, Plaintiff and the Class pray for relief as follows:

- A. An order certifying the case as a class action on behalf of the proposed Classes under Federal Rule of Civil Procedure 23 and appointing Plaintiff and the undersigned counsel of record to represent same;
- B. An award of actual, statutory and punitive damages for Plaintiff and the Classes;
- C. An award of pre-judgment and post-judgment interest as provided by law;
  - D. An award of attorney's fees and costs; and
  - E. Such other relief as the Court deems just and proper.

# TRIAL BY JURY

Plaintiff hereby requests a trial by jury on those causes of action where a trial by jury is allowed by law.

DATE: January 8, 2019

By: s/ Andrew Weiner

#### **WEINER & SAND LLC**

Andrew L. Weiner Jeffrey B. Sand 3525 Piedmont Road 7 Piedmont Center 3<sup>rd</sup> Fl.

Atlanta, GA 30305

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Attorneys for Plaintiff

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The JS44 civil cover sheet and the information contained herein neither replace nor supplement the filing and service of pleadings or other papers as required by law, except as provided by local rules of court. This form is required for the use of the Clerk of Court for the purpose of initiating the civil docket record. (SEE INSTRUCTIONS ATTACHED)

I. (a) PLAINTIFF(S) DEFENDANT(S)	DEFENDANT(S)		
Adam Clegg, individually and on behalf of all others similarly  Barada Associates Inc.			
situated			
(b) COUNTY OF RESIDENCE OF FIRST LISTED COUNTY OF RESIDENCE OF FIRST LISTED			
PLAINTIFF DEFENDANT (IN U.S. PLAINTIFF CASES)			
NOTE: IN LAND CONDEMNATION CASES, USE THE LOCATION OF THE TRACT O	F LAND		
(c) ATTORNEYS (FIRM NAME, ADDRESS, TELEPHONE NUMBER, AND  ATTORNEYS (IF KNOWN)			
E-MAIL ADDRESS)			
Weiner & Sand LLC, 3525 Piedmont Rd., 7 Piedmont Ctr., 3rd Fl., Atlanta, GA 30305; (404) 254-0842;			
aw@atlantaemployeelawyer.com			
II. BASIS OF JURISDICTION III. CITIZENSHIP OF PRINCIPAL PARTIES			
(PLACE AN "X" IN ONE BOX ONLY)  (PLACE AN "X" IN ONE BOX FOR PLAINTIFF AND ONE BOX FOR DEFENDANT)  (FOR DIVERSITY CASES ONLY)			
PLF DEF PLF DEF			
U.S. GOVERNMENT OUS. GOVERNMENT NOT A PARTY)  1 U.S. GOVERNMENT OF THIS STATE 4 INCORPORATED OR PRINCIPAL PLACE OF BUSINESS IN THIS STATE			
2 U.S. GOVERNMENT 4 DIVERSITY 0EFENDANT (INDICATE CITIZENSHIP OF PARTIES 2 CITIZEN OF ANOTHER STATE 5 INCORPORATED AND PRINCIPAL PLACE OF BUSINESS IN ANOTHER ST	2 CITIZEN OF ANOTHER STATE 5 INCORPORATED AND PRINCIPAL		
IN ITEM III)	PLACE OF BUSINESS IN ANOTHER STATE  3		
FOREIGN COUNTRY			
IV. ORIGIN (PLACE AN "X "IN ONE BOX ONLY)  PROCEEDING 2 REMOVED FROM STATE COURT 3 REMANDED FROM APPELLATE COURT 4 REINSTATED OR 15 ANOTHER DISTRICT (Specify District) 5 ANOTHER DISTRICT (Specify District) 7 FROM MAGISTRATE TRANSFER TO TRANSFER T			
MULTIDISTRICT 8 LITIGATION - DIRECT FILE			
V. CAUSE OF ACTION (CITE THE U.S. CIVIL STATUTE UNDER WHICH YOU ARE FILING AND WRITE A BRIEF STATEMENT OF CAUSE - DO NOT CITE JURISDICTIONAL STATUTES UNLESS DIVERSITY)			
Violations of the Fair Credit Reporting Act, 15 USC 1681, et seq.			
(IF COMPLEX, CHECK REASON BELOW)			
1. Unusually large number of parties. $\Box$ 6. Problems locating or preserving evidence	mber of parties. $\square$ 6. Problems locating or preserving evidence		
2. Unusually large number of claims or defenses.			
	8. Multiple use of experts.		
4. Greater than normal volume of evidence. 9. Need for discovery outside United States boundaries. 5. Extended discovery period is needed. 10. Existence of highly technical issues and proof.	9. Need for discovery outside United States boundaries.		
— 5. Extended discovery period is needed.   Liu. Existence of nignty technical issues and proof.			
COMMINITIED ON DESTEDOR			
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### CONTINUED ON REVERSE  FOR OFFICE USE ONLY  RECEIPT # AMOUNT \$ APPLYING IFP MAG. JUDGE (IFP)			

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### VI. NATURE OF SUIT (PLACE AN "X" IN ONE BOX ONLY)

CONTRACT - "0" MONTHS DISCOVERY TRACK  150 RECOVERY OF OVERPAYMENT & ENFORCEMENT OF JUDGMENT 152 RECOVERY OF DEFAULTED STUDENT LOANS (Excl. Veterans) 153 RECOVERY OF OVERPAYMENT OF VETERAN'S BENEFITS	CIVIL RIGHTS - "4" MONTHS DISCOVERY TRACK  440 OTHER CIVIL RIGHTS  441 VOTING  442 EMPLOYMENT  443 HOUSING/ ACCOMMODATIONS  445 AMERICANS with DISABILITIES - Employment  446 AMERICANS with DISABILITIES - Other  448 EDUCATION	SOCIAL SECURITY - "0" MONTHS DISCOVERY   TRACK
CONTRACT - "4" MONTHS DISCOVERY TRACK    110 INSURANCE   120 MARINE   130 MILLER ACT   140 NEGOTIABLE INSTRUMENT   151 MEDICARE ACT   160 STOCKHOLDERS' SUITS   190 OTHER CONTRACT   195 CONTRACT   195 CONTRACT   195 CONTRACT   196 FRANCHISE    REAL PROPERTY - "4" MONTHS DISCOVERY   TRACK   210 LAND CONDEMNATION   220 FORECLOSURE   230 RENT LEASE & EJECTMENT   240 TORTS TO LAND   245 TORT PRODUCT LIABILITY   290 ALL OTHER REAL PROPERTY   151 AND   245 TORT PRODUCT LIABILITY   290 ALL OTHER REAL PROPERTY   1520 ASSAULT, LIBEL & SLANDER   310 AIRPLANE   315 AIRPLANE PRODUCT LIABILITY   320 ASSAULT, LIBEL & SLANDER   330 FEDERAL EMPLOYERS' LIABILITY   350 MOTOR VEHICLE   355 MOTOR VEHICLE   355 MOTOR VEHICLE   360 OTHER PERSONAL INJURY - MEDICAL   MALPRACTICE   367 PERSONAL INJURY - MEDICAL   MALPRACTICE   367 PERSONAL INJURY - HEALTH CARE/   PHARMACEUTICAL PRODUCT LIABILITY   368 ASBESTOS PERSONAL INJURY + HEALTH CARE/   PHARMACEUTICAL PRODUCT LIABILITY   370 OTHER FRAUD   371 TRUTH IN LENDING   380 OTHER PERSONAL PROPERTY - "4" MONTHS   DISCOVERY TRACK   385 PROPERTY DAMAGE   385 PROPER	IMMIGRATION - "0" MONTHS DISCOVERY TRACK  462 NATURALIZATION APPLICATION 465 OTHER IMMIGRATION ACTIONS  PRISONER PETITIONS - "0" MONTHS DISCOVERY TRACK  463 HABEAS CORPUS - Alien Detainee 510 MOTIONS TO VACATE SENTENCE 530 HABEAS CORPUS 535 HABEAS CORPUS DEATH PENALTY 540 MANDAMUS & OTHER 550 CIVIL RIGHTS - Filed Pro se 555 PRISON CONDITION(S) - Filed Pro se 556 CIVIL DETAINEE: CONDITIONS OF CONFINEMENT  PRISONER PETITIONS - "4" MONTHS DISCOVERY TRACK  550 CIVIL RIGHTS - Filed by Counsel 555 PRISON CONDITION(S) - Filed by Counsel  FORFEITURE/PENALTY - "4" MONTHS DISCOVERY TRACK  625 DRUG RELATED SEIZURE OF PROPERTY 21 USC 881 690 OTHER  LABOR - "4" MONTHS DISCOVERY TRACK 710 FAIR LABOR STANDARDS ACT 720 LABOR/MGMT. RELATIONS 740 RAILWAY LABOR ACT 751 FAMILY and MEDICAL LEAVE ACT 790 OTHER LABOR LITIGATION 791 EMPL. RET. INC. SECURITY ACT  PROPERTY RIGHTS - "4" MONTHS DISCOVERY TRACK 820 COPYRIGHTS 840 TRADEMARK  PROPERTY RIGHTS - "8" MONTHS DISCOVERY TRACK 830 PATENT 835 PATENT-ABBREVIATED NEW DRUG APPLICATIONS (ANDA) - a/k/a Hatch-Waxman cases	FEDERAL TAX SUITS - "4" MONTHS DISCOVERY TRACK    870 TAXES (U.S. Plaintiff or Defendant)     871 IRS - THIRD PARTY 26 USC 7609
VII. REQUESTED IN COMPLA  CHECK IF CLASS ACTION UNDER F.R  JURY DEMAND YES NO (CHECK YES  VIII. RELATED/REFILED CAS	.Civ.P. 23 DEMAND \$ ONLY IF DEMANDED IN COMPLAINT)  EE(S) IF ANY	
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/s/ Andrew Weiner	1/7/19	

# **ClassAction.org**

This complaint is part of ClassAction.org's searchable class action lawsuit database and can be found in this post: <u>Barada Associates Included Outdated Information in Background Report, Job Applicant Claims</u>