

**UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

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UNITED STATES OF AMERICA,)	
)	
Plaintiff,)	
)	Civil Action No.
)	
v.)	
)	
CENTRAL CREDIT, LLC, a limited)	
liability company,)	
)	
Defendant.)	
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**COMPLAINT FOR CIVIL PENALTIES, PERMANENT INJUNCTION,
AND OTHER EQUITABLE RELIEF**

Plaintiff, the United States of America, acting upon notification and authorization to the Attorney General by the Federal Trade Commission (“FTC” or “Commission”), for its Complaint, alleges that:

1. Plaintiff brings this action under sections 5(a), 13(b), and 16(a) of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §§ 45(a), 53(b), and 56(a); and the Fair Credit Reporting Act (“FCRA”), 15 U.S.C. §§ 1681 – 1681x, to obtain monetary civil penalties and injunctive or other relief for Defendant’s violations of the FTC Act and the FCRA.

JURISDICTION AND VENUE

2. This Court has subject matter jurisdiction over this matter under 28 U.S.C. §§ 1331, 1337(a), 1345, and 1355, and under 15 U.S.C. §§ 45(a), 53(b), and 56(a) and 1681s.

3. Venue in the United States District Court for the District of Nevada is proper under 15 U.S.C. § 53(b) and under 28 U.S.C. §§ 1391(b)-(c) and 1395(a).

DEFENDANT

4. Defendant Central Credit, LLC (“Central Credit”), a wholly owned subsidiary of Global Cash Access, Inc., is a limited liability company with its principal place of business at 3525 East Post Road, Suite 120, Las Vegas, Nevada 89120. At all times relevant to this complaint, Defendant Central Credit has transacted business in this district.

THE FAIR CREDIT REPORTING ACT

5. The FCRA was enacted in 1970, became effective on April 25, 1971, and has been in force since that date. The Fair and Accurate Credit Transactions Act amended the FCRA in December 2003.

6. Section 621 of the FCRA, 15 U.S.C. § 1681s, authorizes the Commission to use all of its functions and powers under the FTC Act to enforce compliance with the FCRA by all persons subject thereto except to the extent that enforcement specifically is committed to some other governmental agency, irrespective of whether the person is engaged in commerce or meets any other jurisdictional tests set forth by the FTC Act.

VIOLATIONS OF THE FAIR CREDIT REPORTING ACT

7. Since at least 1956, Central Credit has sold information about consumers’ gaming experiences and check-cashing transactions to casinos. These entities use the information to

make eligibility determinations for extending credit or accepting checks, or in connection with the review of or collection of a consumer's credit account.

8. Central Credit maintains information relating to the check-writing history of individuals who reside in most if not all of the fifty United States and the District of Columbia. Central Credit's databases contain information relating to consumers' credit and check-cashing transactions at various casinos. Central Credit sells credit reports to casinos ("Subscribers"), which use the reports to make credit decisions or licensing decisions. In addition, Central Credit provides a check verification service and a check warranty service to its Subscribers.

9. The reports Central Credit provides to its Subscribers are designed to improve credit decisions, including decisions about the extension of credit. These reports are "consumer reports," which are defined in section 603(d) of the FCRA, 15 U.S.C. §1681a(d), as follows:

any written, oral, or other communication of any information by a consumer reporting agency bearing on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living 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 (A) credit or insurance to be used primarily for personal, family, or household purposes; (B) employment purposes; or (C) any other purpose authorized under section 604.

Central Credit's reports are communicated to third parties, bear on the consumer's credit worthiness and/or other attributes listed in section 603(d), and are used as a factor in determining the consumer's eligibility for credit, employment, or other purposes specified in section 603(d).

10. Central Credit is now and has been a "consumer reporting agency," which is defined in section 603(f) of the FCRA, 15 U.S.C. § 1681a(f), as follows:

any person which, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating

consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties, and which uses any means or facility of interstate commerce for the purpose of preparing or furnishing consumer reports.

Central Credit regularly sells in interstate commerce information on consumers that it assembles for the purpose of furnishing consumer reports to its Subscribers.

11. Central Credit also is now and has been a “nationwide specialty consumer reporting agency,” which is defined in section 603(w) of the FCRA, 15 U.S.C. § 1681a(w), as follows:

a consumer reporting agency that compiles and maintains files on consumers on a nationwide basis relating to (1) medical records or payments; (2) residential or tenant history; (3) check writing history; (4) employment history; or (5) insurance claims.

Central Credit compiles and maintains files on consumers on a nationwide basis that relate, *inter alia*, to consumers’ check-writing history. As a nationwide specialty consumer reporting agency, Central Credit is subject to, among other sections, 609 and 612 of the FCRA, 15 U.S.C. §§ 1681g and 1681j, and the FTC’s Streamlined Process Rule, 16 C.F.R. § 610.3.

COUNT I -- Violations of Section 607(d) of the FCRA

12. Section 607(d)(1) of the FCRA, 15 U.S.C. § 1681e(d)(1), requires that a consumer reporting agency provide, to any person who regularly and in the ordinary course of business furnishes information about any consumer to the consumer reporting agency (“furnisher”), a “Notice To Furnishers of Information: Obligations of Furnishers Under the FCRA” (“Furnisher Notice”), the acceptable content of which is set forth in 16 C.F.R. Part 698, Appendix G. Section 607(d)(2) of the FCRA, 15 U.S.C. § 1681e(d)(2), requires that a consumer reporting agency provide, to any person to whom it provides a consumer report (“users”), a “Notice To Users of

Consumer Reports: Obligations of Users Under the FCRA” (“User Notice”), the acceptable content of which is set forth in 16 C.F.R. Part 698, Appendix H. The Furnisher Notices and the User Notices inform furnishers and users, respectively, of their responsibilities under the FCRA, such as a furnisher’s responsibility to provide accurate information or a user’s responsibility to provide adverse action notices.

13. Prior to 2008, Central Credit failed to provide Furnisher Notices to furnishers or User Notices to users.

14. By and through the acts and practices described in Paragraph 13 above, Central Credit has violated section 607(d) of the FCRA, 15 U.S.C. § 1681e(d).

15. Pursuant to section 621(a)(1) of the FCRA, 15 U.S.C. § 1681s(a)(1), the acts and practices alleged in Paragraph 13 also constitute unfair or deceptive acts or practices in violation of section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT II -- Violations of Section 609(c)(2) of the FCRA

16. Section 609(c)(2) of the FCRA, 15 U.S.C. § 1681g(c)(2), requires that when a consumer reporting agency provides a file disclosure to a consumer, a Summary of Rights be provided to the consumer along with each written file disclosure. The acceptable content of the Summary of Rights is set forth in section 609(c)(1)(B) of the FCRA, 15 U.S.C. § 1681g(c)(1)(B), and the model notice prepared by the FTC is set forth in 16 C.F.R. Part 698, Appendix F. The Summary of Rights informs consumers of their rights under the FCRA, such as the right to dispute inaccurate information.

17. Prior to 2008, Central Credit failed to provide a Summary of Rights notice that contained all of the information required by section 609(c)(1)(B) of the FCRA, 15 U.S.C. §1681g(c)(1)(B), as required by section 609(c)(2) of the FCRA, 15 U.S.C. § 1681g(c)(2).

18. By and through the acts and practices described in Paragraph 17 above, Central Credit has violated section 609(c)(2) of the FCRA, 15 U.S.C. § 1681g(c)(2).

19. Pursuant to section 621(a)(1) of the FCRA, 15 U.S.C. § 1681s(a)(1), the acts and practices alleged in paragraph 17 also constitute unfair or deceptive acts or practices in violation of section 5(a) of the FTC Act, 15 U.S.C. § 45(a).

COUNT III - Violations of Sections 612(a)(1)(C) and 612(a)(2) of the FCRA
and Section 610.3 of the Streamlined Process Rule

20. Section 612(a)(1)(C) of the FCRA, 15 U.S.C. § 1681j(a)(1)(C), directs the Commission to prescribe regulations requiring nationwide specialty consumer reporting agencies to establish a streamlined process for consumers to request free annual file disclosures (*i.e.*, consumer reports), including a toll-free number for consumers to call to make the request. Pursuant to section 612(a)(1)(C), the Commission promulgated the Streamlined Process Rule, 16 C.F.R. § 610.3, which became effective on December 4, 2004. The rule requires, *inter alia*, that nationwide specialty consumer reporting agencies establish a streamlined process that “enable[s] consumers to request annual file disclosures by a toll-free telephone number that . . . is clearly and prominently posted on any website owned or maintained by the nationwide specialty consumer reporting agency . . . along with instructions for requesting disclosures by any additional available request methods[.]” 16 C.F.R. § 610.3(a)(1).

21. Section 612(a)(2) of the FCRA requires consumer reporting agencies to “provide a consumer report under paragraph (1).” Section 612(a)(2), therefore, requires nationwide specialty consumer reporting agencies to comply with the Streamlined Process Rule adopted by the Commission pursuant to section 612(a)(1)(C).

22. Central Credit has not established the streamlined process required by the Streamlined Process Rule, 16 C.F.R. § 610.3, for consumers to request free annual file disclosures. Among other things, Central Credit has not clearly and prominently posted the toll-free telephone number for the free annual file disclosures on any website owned or maintained by Central Credit. Central Credit also has failed to provide clear and easily understandable instructions for requesting free annual file disclosures on its toll-free number.

23. By and through the acts and practices described in paragraph 22 above, Central Credit has violated sections 612(a)(1)(C) and 612(a)(2) of the FCRA, 15 U.S.C. §§ 1681j(a)(1)(C) and 1681j(a)(2), and section 610.3 of the Streamlined Process Rule, 16 C.F.R. § 610.3.

THIS COURT’S POWER TO GRANT RELIEF

24. Section 621(a)(2)(A) of the FCRA, 15 U.S.C. § 1681s(a)(2)(A), authorizes the Court to award monetary civil penalties in the event of a knowing violation, which constitutes a pattern or practice of violations. Central Credit’s violations of sections 607(d), 609(c)(2), 612(a)(1)(C), and 612(a)(2) of the FCRA and of the Streamlined Process Rule, as alleged in this Complaint, were knowing and constituted a pattern or practice of violations. As specified by the Federal Civil Penalty Inflation Adjustment Act of 1990, 28 U.S.C. § 2861, as amended by the Debt Collection Improvements Act of 1996, Pub. L. 104-134, § 31001(s)(1), 110 Stat. 1321-373,

the Court is authorized to award a penalty of not more than \$2,500 per violation for violations occurring before February 10, 2009, and \$3,500 per violation for violations occurring on or after that date.

25. Each instance in which Central Credit has failed to comply with sections 607(d), 609(c)(2), 612(a)(1)(C), or 612(a)(2) of the FCRA, or with the Streamlined Process Rule, constitutes a separate violation of the FCRA for the purpose of assessing monetary civil penalties under section 621 of the FCRA. Plaintiff seeks monetary civil penalties for every separate violation of the FCRA.

26. Under section 13(b) of the FTC Act, 15 U.S.C. §53(b), this Court is authorized to issue a permanent injunction prohibiting Defendant from violating the FTC Act and the FCRA.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff requests that this Court, pursuant to 15 U.S.C. §§ 45(a)(1), 45(m)(1)(A), 53(b), 1681s, and 1691c, and pursuant to the Court's own equitable powers:

(1) Enter judgment against Defendant and in favor of Plaintiff for each law violation alleged in this Complaint;

(2) Enter a permanent injunction to prevent future violations of the FCRA, the Streamlined Process Rule, and the FTC Act by Defendant;

(3) Award Plaintiff monetary civil penalties from Defendant for each violation of the FCRA and the Streamlined Process Rule as alleged in this Complaint;

(4) Order Defendant to pay the costs of this action; and

(5) Award Plaintiff such additional relief as the Court may deem just and proper.

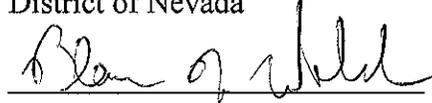
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