UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION

COMMISSIONERS: Edith Ramirez, Chairwoman
Julie Brill
Maureen K. Ohlhausen
Terrell McSweeny

In the Matter of

Drug Testing Compliance Group, LLC
a corporation.

DOCKET NO. C-4565

COMPLAINT

Pursuant to the provisions of the Federal Trade Commission Act, as amended, 15 U.S.C. § 41, et seq., and by virtue of the authority vested in it by said Act, the Federal Trade Commission ("Commission"), having reason to believe that Drug Testing Compliance Group, LLC, has violated the provisions of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, and it appearing to the Commission that a proceeding by it in respect thereof would be in the public interest, hereby issues this Complaint stating its charges as follows:

NATURE OF THE CASE

1. Drug Testing Compliance Group, LLC ("DTC Group") invited its closest rival to enter into a customer allocation agreement. By inviting collusion, DTC Group endangered competition and violated Section 5 of the FTC Act.

RESPONDENT

2. Drug Testing Compliance Group, LLC, is a limited liability corporation organized, existing, and doing business under and by virtue of the laws of Idaho, with its principal place of business in Meridian, Idaho.

3. DTC Group markets and sells to commercial drivers, commercial trucking firms, and other persons an array of services that facilitate compliance with various regulations administered by the Department of Transportation and the Federal Motor Carrier Safety Administration, including services relating to drug and alcohol testing, safety audits, driver qualification files, and other record keeping.
4. DTC Group primarily utilizes telemarketing and the internet to advertise and sell its services. DTC Group competes with several firms throughout the United States offering similar services.

JURISDICTION

5. At all times relevant herein, DTC Group has been, and is now, a corporation as “corporation” is defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44.

6. The business practices of DTC Group, including the acts and practices alleged herein, are in commerce or affect commerce, as “commerce” is defined in Section 4 of the Federal Trade Commission Act, 15 U.S.C. § 44.

INVITATION TO COLLUDE

7. DTC Group and Competitor A market and sell similar services in direct competition. Beginning in 2013 and continuing to date, DTC Group and Competitor A have competed for one another’s customers by offering lower prices for similar services. In some instances, one rival can induce a customer, whose contract is terminable at will, to switch service providers by offering lower prices.

8. On or about June 27, 2014, the president of DTC Group, David Crossett, contacted Competitor A to complain about the actions of Competitor A’s sales personnel that led a DTC Group customer to switch service providers. Mr. Crossett requested a meeting with Competitor A to discuss the matter.

9. On or about July 10, 2014, Mr. Crossett met with the principals of Competitor A. Mr. Crossett proposed that the firms agree not to solicit or compete for one another’s customers. Specifically, Mr. Crossett proposed that DTC Group and Competitor A should reciprocally agree to refrain from selling or attempting to sell a service to a customer if the rival firm had previously arranged to sell the same service to the customer. Mr. Crossett referred to this arrangement as “First Call Wins,” and explained that such agreement would allow each company to sell its services to customers without fearing that its rival would later undercut it with a lower price offer.

VIOLATION CHARGED

10. As set forth in Paragraphs 7 through 9 above, DTC Group invited a competitor to enter into an agreement to allocate customers, in violation of Section 5 of the Federal Trade Commission Act, as amended. The acts and practices of DTC Group, as alleged herein, constitute unfair methods of competition in or affecting commerce in violation of Section 5 of the Federal Trade Commission Act, as amended. Such acts and practices of DTC Group will continue or recur in the absence of appropriate relief.

By the Commission.

Donald S. Clark
Secretary

SEAL: