

## FleetCor: Company Has Received CID From FTC; Company's Annual Report Includes New Language on Government Investigations

FleetCor (FLT) has received a Civil Investigative Demand (CID) from the Federal Trade Commission, according to a source familiar with the matter.

It is unclear exactly when Fleetcor received the CID.

The company issued a [10-K](#) on March 1 in which it modified language in certain paragraphs that reference the FTC Act and government investigations. The modifications compared to the company's previous 10-K are provided below, with additional language in yellow bolded font and removed language in red strike-through text:

### *Federal Trade Commission Act*

All persons engaged in commerce, including, but not limited to, us and our bank sponsors and customers are subject to Section 5 of the Federal Trade Commission Act prohibiting unfair or deceptive acts or practices, and certain products are subject to the jurisdiction of the Consumer Financial Protection Bureau ('CFPB') regarding the prohibition of unfair, deceptive, or abusive acts and practices (both, collectively, UDAAP). Various federal and state regulatory enforcement agencies including the Federal Trade Commission ('FTC'), CFPB and the state attorneys general have authority to **investigate and** take action against businesses, merchants and financial institutions that **are alleged to** engage in UDAAP or violate other laws, rules and regulations. If we ~~violate~~ **are accused of violating** such laws, rules and regulations, we may be subject to enforcement actions and as a result, may incur losses and liabilities that may impact our business. A number of state laws and regulations also prohibit unfair and deceptive business practices.

*Litigation and regulatory actions could subject us to significant fines, penalties or requirements resulting in significantly increased expenses, damage to our reputation and/or material adverse effects on our business.*

We are subject to claims and a number of judicial and administrative proceedings considered normal in the course of our current and past operations, including employment-related disputes, contract disputes, intellectual property disputes, government **inquiries, investigations,** audits and regulatory proceedings, customer disputes and tort claims. Responding to proceedings may be difficult and expensive, and we may not prevail.

Experts interviewed by *The Capitol Forum* about typical corporate conduct following the receipt of a CID explained that companies do not have a legal obligation to fully disclose the receipt of CIDs from government agencies.

Andrew Vollmer, professor at University of Virginia law school said, “Many companies do disclose a government investigation that is potentially significant or not usual for them. Many companies do disclose investigations that are pending. They are not obliged to but many do.”

For a better understanding of some of FleetCor’s practices about which the FTC may have concerns, see *The Capitol Forum*’s [previous coverage](#) of some of the company’s practices such as delayed posting of payments, excessive and buried fees, negative option programs, Level 2 and Universal Pricing, hidden upcharges and denial of fraud claims.

An FTC spokesperson declined to comment. A FleetCor spokesperson didn’t respond to multiple requests for comment.