



TAG Aaron's , Unfair Business Practices , spyware , California

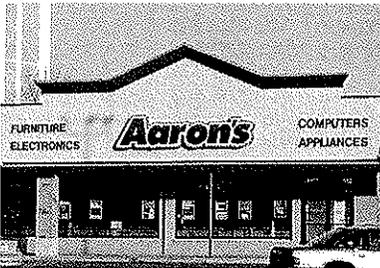
Rental firm Aaron's to pay \$24.8 million settlement for spyware allegations in California

By Aaron Mamiit, Tech Times | October 14, 9:53 AM

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Aaron's is accused of allowing its franchises to secretly install spyware within laptop computers that the stores rent out to their customers. (Photo : Nickolas Eckhart)

Rent-to-own retail company Aaron's will pay an amount of \$28.4 million in settlement of allegations stating that the company was in violation of the protection and privacy laws of California due to unfair commercial practices and the usage of spyware software.

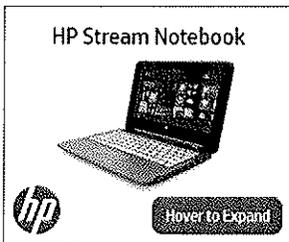
The agreement of Aaron's to pay the settlement was announced by California Attorney General Kamala Harris.

Aaron's, based in Atlanta, Georgia, rents out merchandise for the household, which includes furniture, electronics and appliances, for a semi-monthly or monthly charge. The company has 75 operating stores in California.

The complaint against the company accuses Aaron's of being in violation of the Karnette Rental-Purchase Act of California, as the company is said to collect incorrect late charges, overcharge people that paid off their contracts before the due date, and omit significant disclosures on contracts.

In addition to the unfair business practices, Aaron's is accused of allowing its franchises to secretly install spyware within laptop computers that the stores rent out to their customers.

The spyware being installed has a feature named "Detective Mode," which Aaron's franchise stores can use to monitor the keystrokes logged on the laptop, take screenshots, trace the customer's physical location, and turn on the webcam of the rented laptop. The software allows the franchise stores to activate all these features remotely.



Needless to say, customers did not give consent for the Aaron's franchise stores to install such a spyware on the laptops that they rent, which means that the action is a violation of the state privacy laws of California.

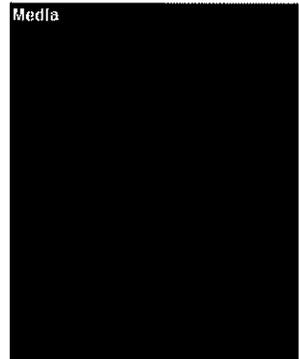
The settlement calls for Aaron's to refund the amount of \$25 million to customers in California that took out lease agreements with the company from April 1, 2010, to March 31 of this year. In addition, Aaron's will pay civil penalties and fees amounting to \$3.4 million.

The number of customers in California that will be able to receive refunds are around 100,000.

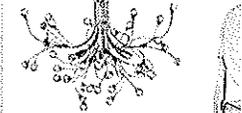
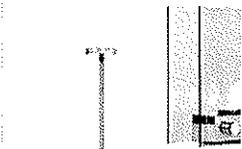
"Aaron's concealed its illegal privacy and business practices from customers in a deceptive attempt to avoid California's robust consumer protection laws and increase its profits. This settlement provides millions of dollars in restitution to consumers and requires Aaron's to make significant changes to its business practices," said Harris.

A spokeswoman said that Aaron's is not admitting to any form of wrongdoing or liability on its part, and that the company has a commitment to follow the law.

However, last year, Aaron's already went through a similar case that it also settled with the Federal Trade Commission, involving spyware that was secretly installed on rented computers.



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