

Do You have a Good Understanding of FCRA Requirements and How They Relate to Your Employment Screening Checks?

Providing a safe environment for your employees and your customers is critical for your business, and so is understanding the different Federal and State laws regarding the screening of your employees. Knowing the basics of FCRA can help you begin to ensure you are in compliance.

Permissible Purpose-FCRA mandates that the use of consumer reports must be obtained under permissible purpose, FCRA section 604 indicates that “employment screening” as permissible purpose. (Employment Screening for FCRA purposes also includes volunteers and contractors)

Disclosure-Employers must disclose to applicants and current employees that they intend to perform a background check for employment purposes. This disclosure must be separate from the employment application. You can obtain an FCRA approved disclosure form from any reputable CRA (consumer reporting agency).

Authorization- The “consumer” (applicant) must give written authorization that they are permitting the employer to obtain a background check. At the time of Disclosure and Authorization, FCRA mandates that the consumer receive a copy of their summary of rights.

Pre-Adverse Action-An Employer must notify an applicant or employee prior to taking adverse action based on something found in their consumer report. Along with the notification the employer must provide the consumer with a copy of the consumer report along with a copy of their summary of rights.

Adverse Action-Once the Employer has provided Pre-Adverse notification, the employer must wait “ a reasonable period of time” before taking adverse action. This time period allows the consumer to dispute any information on their consumer report. Once it has been decided to take adverse action, the employer must send a letter to the consumer.

Dispute Resolution- If a consumer does not agree with information found within their consumer report, they have the right to dispute the report. FCRA requires any CRA to process disputes within 30 days and Adverse Action should not be made during this time. The consumer must initiate the dispute themselves, as the employer cannot initiate a dispute on behalf of the consumer.

For More Information Regarding FCRA or other Employment Screening Information please call 800-472-5202 or email, info@rrbgs.com

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