

CLIENT REFERENCE MANUAL

Background Screening



LEGAL DISCLAIMER

Compliance Background Screening Services (CBSS) cannot provide you with legal advice. This manual represents Compliance Background Screenings interpretation of the FCRA. Please consult your legal counsel for verification of, and more detailed information on the impact of the FCRA and state laws that apply to your company.

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DID YOU KNOW...

...résumé fraud is pervasive?

When the Port Authority of New York and New Jersey ran a help wanted ad for electricians who were expert at using Sontag Connectors, it got 170 responses---- even though there is *no such thing* as a Sontag Connector. The Authority ran the ad to find out how many applicants falsify résumés. *Effective:* Inform job applicants that claims on résumés and job applications will be checked for accuracy--- then check as thoroughly as possible.

*Peter LeVine, reference and credentials checking consultant,
Framingham, Massachusetts.
Boardroom Reports 7/15/93*

What you know can be devastating . . .

What you don't know can be worse!

A Labor Lawyer

It is no secret that many employers give little attention to pre-employment background investigations. The focus, instead, is placed on applications, interviews, resumes, skills tests and other "traditional" screening techniques.

There are, however, at least five separate reasons why background investigations should be added to the professional's standard practices

INPUT
NEGLIANT HIRING
DEMISE OF "EMPLOYMENT AT WILL"
TECHNOLOGY
EXAGGERATED CREDENTIALS

*These and other facts have led to an inescapable conclusion:
Employers simply have to know who they are hiring before they hire them.
The risks are otherwise just too great.*

Check Your Applicants

INPUT

We are all products of our past. The collection of experiences, good or bad, that defines our past does not necessarily determine our future. But background does clearly indicate what a person can and will become.

Thus, an employer who is interviewing applicants for employment has an obvious need to know fundamental facts in an individual's background that may play a role in their future. The standard source for obtaining background information on a job applicant is quickly becoming unavailable. Defamation lawsuits lodged by an applicant against a former employer are on the rise, and have virtually shut off the transference of useful information from former employer to prospective employer. Interviewing also has its limitations. Unfortunately, those most impressive at interviewing are often those most adept at deceiving. It is reported too often that the person interviewed does not turn out to be the same person after two or three months. The employment honeymoon is over. The professional's goal is to find the person who will be best suited emotionally, temperamentally and skill-wise for the jobs the company offers. That takes input from a variety of sources, including background investigations.

"NEGLIGENT HIRING"

The second reason employee screening is so important is the real threat of liability employers now face under the legal doctrine of "negligent hiring."

Courts are now accepting the premise that some facts in an employee's background should disqualify them for a given position. A driver with a long history of recklessness behind the wheel, a salesperson with a background of violent assault, or bookkeeper with a record of theft are good examples.

If the employee causes a foreseeable injury to a third party, and the court determines that the employer's failure to detect or heed the warning signs was unreasonable, the company may well be held liable for damages. Since this risk cannot easily be quantified, employers are well advised to exercise the utmost care in the investigation and selection of all employees.

DEMISE OF "EMPLOYMENT AT WILL"

The formerly universal notion that employers could hire and fire whomever they wanted whenever they wanted is slowly eroding. Different states are proceeding down this path at varying rates of speed. Some have drawn their exceptions to "employment at will" fairly narrowly; for example, prohibiting dismissals when an employee misses work to serve on a jury.

More protective states go much further. The most restrictive states actually require that a worker cannot be dismissed without a showing of clear and just cause. The employer must document the reasons behind all dismissals to show that there was an adequate basis for the action.

Employee initiated lawsuits for "wrongful discharge" are even more common than those for negligent hiring. One study showed that claimants win two thirds of the cases that go to trial, with an average jury award of more than \$600,000. Careful pre-employment screening will reduce the risk of many wrongful discharge problems later.

TECHNOLOGY

Explosive technological advances in the workplace increase the dangers of unqualified or unethical workers. With the increasing number of computer savvy employees, a company's information and intellectual property is at risk more than ever. Sound background investigations will ferret out many high-risk candidates.

EXAGGERATED CREDENTIALS

Many observers say that falsification or exaggeration of credentials on resumes and employment applications is at an all-time high.

An employee who comes into a job under false pretenses is the wrong person in the wrong job. The falsification suggests a dangerous character defect that could resurface in another context later on. The lack of appropriate qualifications may also mean that the individual is not objectively competent for the task. Neither is a problem the company can nor should ignore.





SEARCHES AVAILABLE

Typical Turnaround

CRIMINAL RECORDS – COUNTY	Felony & Misdemeanor records obtained directly from county seat courts. All searches are initiated fresh; these are not database searches.	1 – 3 Days
CRIMINAL RECORDS – ‘STATEWIDE’	Multi-jurisdictional repository maintained by the state. All records found are confirmed at the county level. May not contain all records; dependent on county participation.	1 – 3 Days
CRIMINAL RECORDS – FEDERAL	Felony & Misdemeanor records obtained directly from federal courts. All searches are initiated fresh; these are not database searches.	1 – 2 Days
CRIMINAL RECORDS – NATIONAL DATABASE	Multi-jurisdictional database provided by 3 rd parties. Sources are courts, state repositories, correctional records, etc. Should be used as a supplemental search only.	4 Hours or less
CIVIL COURT RECORDS – COUNTY OR FEDERAL	These records concern: employer-employee conflicts, property, personal rights, personal injuries, liability suits, contract disputes, landlord-tenant conflicts, etc.	1 – 3 Days
SEX OFFENDER REGISTRY SEARCH	Using state and national repositories, we search for known sexual offenders. Level of information is based on the state from which the information is retrieved.	1 Day
HOMELAND SECURITY SEARCH	This product is a search of OFAC and 45 national and international terrorist and fugitive lists.	4 Hours or less
NATIONAL WANTS & WARRANTS	Searches for outstanding extraditable warrants in any state. Provides originating agency; no other details available.	1 Day
SSN TRACE	Need help identifying what counties to search for criminal history? This report will help identify past addresses and often reveals ones they hope you never find.	Instant
DRIVING RECORDS	An employee runs an errand for his boss and has an injury accident. You didn't bother to check his driving history – and he has multiple citations. Guess who's liable? Three-year history is typical; some states supply more.	1 Day
EMPLOYMENT CREDIT REPORTS	Provides a sense of an individual's fiscal responsibility, especially if the individual is going to have access to cash or negotiables, expensive equipment, residents' homes, or other trusted environments.	Instant
VERIFICATIONS & REFERENCE CHECKS Employment & Personal	Don't fall into the trap of thinking references are worthless. Even if you only get dates and title, this can reveal when a candidate has lied about or stretched their work history. Personal References are often the only source of information when an applicant claims self-employment.	1 – 3 Days
EDUCATION, PROFESSIONAL LICENSE & CREDENTIAL VERIFICATION	Studies reveal that education is the most distorted and exaggerated item on a resume or application. And, if distorted, this reveals something about the character of the candidate.	1 – 3 Days
FEDERAL SANCTIONS & EXCLUSIONS SEARCH	Checks the GSA's Excluded Parties List System (EPLS) and the OIG's List of Excluded Individuals/Entities (LEIE) for excluded or sanctioned individuals.	4 Hours or less
HEALTHCARE SANCTIONS SEARCH	Checks GSA, OIG, DEA, FDA & 800+ other federal and state lists for sanctioned individuals.	4 Hours or less
BANKING ENFORCEMENT ACTIONS SEARCH	This search identifies individuals and institutions that have been the subject of banking enforcement actions, orders or penalties.	1 Day
WORKER'S COMPENSATION	Once a conditional job offer has been made, this search can be used to verify information and helps in assigning appropriate work or physical labor tasks.	1 – 10 Days
ELECTRONIC FORM I-9	Complete and archive I-9 forms online; avoid costly I-9 audits.	Instant
E-VERIFY	Verify employment eligibility with DSH & SSA for newly hired employees.	Instant
INTERNATIONAL SEARCHES	Criminal, civil, employment verification, education confirmation across the globe.	Up to 8 wks
NATIONAL TenantSCREEN	Instant product that screens potential tenants against a national criminal and sex offender database.	Instant
NATIONAL RegistryCHECK	Instant product that screens potential tenants against a national evictions database.	Instant
TENANT CREDIT REPORTS	Similar to employment report, but also includes FICO score. From TransUnion bureau.	Instant
CHECK WRITING HISTORY	** Coming Soon **	
TENANT REFERENCES Landlord & Employment	Verifies rental history, salary, chance for continued employment.	1 – 3 Days
VolunteerSCREEN	Screens volunteers against a national criminal & sex offender database.	Instant
DRUG SCREEN	Urinalysis, Hair & Breath; DOT & Non-DOT testing available. All confirmed positives will take an additional 24 hours.	24 Hours

CRIMINAL COURT RECORDS

► County Criminal Court Records

A **seven year felony & misdemeanor** search at the **county seat court** is our default search product. Generally speaking, there is usually one upper level (felony) and one lower level (misdemeanor) court at the county seat. In some cases, however, the jurisdiction may have multiple lower level courts, with misdemeanor records spread out among them. Some courts have up to 25 of these courts, making it cost- and time-prohibitive to search them all. In those cases, Compliance Background Screening Services only searches the lower level court at the county seat location (in addition to the upper level court). We can search additional courts by client request only.

The default scope of search is seven years back from the date of search submission. Search results returned include information regarded as "readily available" by the researcher actually conducting the search, and often will likely exceed the minimum scope of search, or may from time to time include non-criminal offense information. We guarantee a minimum of seven years of review, but you will often get more.

General Information: Searching the counties of residence or employment are obvious choices; however, it may be prudent to search additional adjacent counties. There is always a possibility that crimes have been committed in a county other than that of residence or place of work. Also, some cities straddle two or more counties, requiring a thorough search to include records in both counties.

Record Contents: The rules vary widely from jurisdiction to jurisdiction regarding record contents. Each state has a unique court system; some are radically different in organization. There seems to be no standard for recording plaintiff, claimant, and conviction information. Often, only a name and physical description are available. Social security numbers are not consistently found in most court records.

The records furnished are designed to establish the existence of the records only. We do not normally provide transcripts or full records. Our information is typically limited to the court location, date of the offense or filing, description of the offense, disposition, and case or file number.

All counties in the United States, about 3200, may be searched for felony and misdemeanor convictions. Be aware that some states restrict the use of certain types of information, especially misdemeanor and non-convictions records. Also, it is not unusual to have records sealed, or reduced down to a lesser crime. The only limitations regarding access to county criminal information have to do with turnaround time. Does the county use computers; are the records searched by clerk only; are they staffed with sufficient personnel; are the records kept on-site?

► State Repository Search (aka "Statewide" searches)

Most states maintain a repository of criminal case information from most or all counties in the state. A handful of states either do not have a statewide repository of criminal data or have statutes or policies restricting access to that information by non-law enforcement entities.

Please be aware that most of the state repositories are NOT comprehensive; they do not contain all records from all courts in each county. This repository is dependent upon participation from the individual counties. Some counties do not participate at all; for those that do, contribution may not be 100%. Also, some statewide searches present felony

convictions only, thus eliminating a possibly significant share of an individual's criminal history. In addition, in most cases, pending cases are not found in a statewide search. Although a substantial number of states do offer statewide searches, it has been our experience that most are not viable resources due to limited level of information, speed of return, completeness, and county participation. Some clients find it beneficial to use statewide information (when available) before looking for more detail at the county level. However, most clients prefer to use a county-level as the turnaround time is often considerably shorter and reports are more detailed.

We do not endorse the use of, nor in any way guarantee the accuracy, availability, or thoroughness of information provided in a statewide repository search conducted through any state sponsored agency. Statewide repository searches are available for those clients that wish to take advantage of this broad based source of information, but with the caveat that this office has no control over scope, content or quality of information returned from these agencies.

► [Federal Criminal Court Records](#)

Federal courts are established under the U.S. Constitution to decide disputes involving the constitution and laws passed by Congress. Federal criminal court records are searched by federal district, as opposed to by county. Federal district courts are found in all 50 states and DC. States may have anywhere from one to four federal districts. These courts contain records of federal level crimes, such as bank robbery, wire fraud, mail fraud, and drug trafficking, to name a few.

In addition to searching the Federal U.S. District Court, Compliance Background Screening Services also searches Federal incarceration records at no charge. This search will identify any individual who has been incarcerated in a Federal facility for a Federal crime at any time since 1982. An added benefit to the incarceration search is that it is nationwide in scope; you do not need to know in which U.S. District Court the charge originated.

The types of cases rely heavily on fingerprint identification. In most cases, we can search these records by name only. Any further identification must be verified by fingerprints.

► [National Criminal Database Search](#)

Many agencies and jurisdictions sell their criminal and correctional records in bulk format to third parties. These companies then aggregate the data into one large database that can be searched by name. This is not a true 'nationwide' or comprehensive national search, rather it is considered multi-jurisdictional. This product is similar to the state repository search in that it is completely dependent on participation from the originating source. Originating sources may include: county court records, state repository records, or state correctional records. In some states, only correctional records may be included, which means that unless your subject has spent time in prison, you will not find any records that may exist. According to an MSNBC statistic, national criminal history databases have a 41% error rate.

We do, however, advocate this search as a **supplemental, safety-net search**. When used in conjunction with a county level criminal search, it can be a very useful tool for uncovering crimes committed beyond counties or states of residence – or crimes that the applicant is trying to hide.

We do not endorse the use of, nor in any way guarantee the accuracy, availability, or thoroughness of information provided in a national criminal database search. This search is available for those clients that wish to take advantage of this broad based source of information, but with the caveat that this office has no control over scope, content or quality of information returned.

Extended Criminal History

The revised Fair Credit Reporting Act allows employers to access criminal conviction information older than 7 years, where available by state law. This is an extension from the previous FCRA. The turn-around time may be extended, and extra fees are required in most cases.

What is the difference between state and federal level crimes?

Most criminal matters are dealt with in state courts unless:

- The crime occurred on federal property
- A federal employee committed the crime
- The criminal activity affects interstate commerce, such as drug trafficking

State crimes are violations of state and local statutes or ordinances. They are prosecuted in either Municipal or Superior Courts in the county in which the charges are filed, by either City Attorneys or District Attorneys. Typical examples of state crimes include:

- Murder
- Embezzlement
- Rape
- Child abuse / molestation
- Fraud
- Sex crimes
- Drug transportation
- Drug sales / distribution
- Domestic violence
- Assault and battery
- Robbery / theft
- Controlled substance possession
- Under the influence

Federal crimes are crimes defined by or mentioned in the U.S. Constitution or those defined and/or punished by federal statute. Such crimes include treason against the United States, piracy, counterfeiting, crimes against the law of nations, and crimes relating to the federal government's authority to regulate interstate commerce. Other typical examples of federal crimes include:

- Smuggling controlled substances
- Internet & computer crimes
- Large quantity drug & narcotic conspiracy cases
- Bank robbery and bank fraud
- Pornography case
- Mail fraud / theft from the mail
- Bribery of public officials
- Crimes committed on federal land
- Interstate crimes
- White collar fraud
- Serious gun charges
- Conspiracy
- Kidnapping
- RICO violations (racketeering)
- SEC violations and securities fraud
- Tax Crimes

How do I order state level criminal records?

Our [county criminal court records search](#) and [state repository search](#) are both based on state level criminal records. Our recommendation is to check by county, but you may also want to add the statewide repository search as a supplement. To search by county, we suggest you order any counties where your applicant has lived, worked or attended school for the last 7 to 10 years.

How do I order federal level criminal records?

Our [federal criminal court records search](#) is based on federal level criminal records. To search by federal district, our online system allows you to provide a city/state or ZIP code and you will be provided with the corresponding federal district. Again, if you decide to check federal criminal records, we suggest you order all districts where your applicant has lived, worked or attended school for the last 7 to 10 years.

CIVIL COURT RECORDS

▶ [County Civil Court Records](#)

Civil cases include disputes between private citizens, corporations, governmental bodies and other organizations. These records concern: employer-employee conflicts, property, personal rights, personal injuries, liability suits, contract disputes, landlord-tenant conflicts, evictions, divorce and probate. Care must be taken by employers to use this information only when it is relevant to a specific job function and it is backed by appropriate policies and procedures. The use of civil information without proper policies in place is strongly discouraged.

▶ [Federal Civil Court Records](#)

Federal civil courts have records of major civil suits unresolved at the state level, as well as suits involving violations of federal statutes or constitutional rights.

Civil court reports are used less often in the employment situation as they seldom fall within hiring guidelines and can lead to discrimination if not handled within strict company policies.

IMPORTANT NOTES ON COURT RECORDS

Searching Court Records

When searching court records, researchers typically search by NAME and then confirm by other identifiers. The date of birth (DOB) is most often used for confirmation, but other identifiers may also be used, such as SSN, driver's license number or address. Most court records do not have a SSN; therefore the subject's full legal name and DOB are extremely important. Misspelled names and nicknames could result in missed records. In addition, since most records are filed by name, it is common for cases to be under alternately or previously used names, such as maiden names. If you would like to search for records under all names used, please indicate this on the Order Form or by providing the alias online. Please note that researchers and counties charge for each NAME searched, so a search for one current name and one maiden name would cost twice as much as only searching the current name.

Requesting Date of Birth

As noted above, an applicant's date of birth is a crucial piece of information that is typically necessary for the thorough search or review of court records. Since *The Age Discrimination in Employment Act of 1967 (ADEA)* does not specifically prohibit an employer from asking an applicant's age or date of birth, our policy is to require a date of birth for all court search orders. If you are concerned about requesting this information on the release form, we will gladly arrange for your applicants to call us on a toll free number to gather information about date of birth, sex, race, etc. Or, you are welcome to have that portion of the release completed by the applicant away from your office and faxed directly to us. Make sure you keep the signed original for your records and give the applicant a copy, to be completed later. In addition, we can also suppress the date of birth and/or SSN on all reports at a client's request.

Verification of Repository and Database Records

To maintain compliance with the FCRA, any possible records found in a statewide or national criminal database search will always be confirmed at the county level at the client's expense prior to being reported.

Evaluating Reports

The EEOC has published guidance on the use of certain types of public records in the hiring process. We strongly suggest you have your legal counsel review this guidance before implementation of a company policy regarding background checks. The document names are provided below. You can also find links to these documents on our website.

- *Policy Guidance on the Consideration of Arrest Records in Employment Decisions under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. §2000e et seq. (1982).*
- *EEOC Policy Statement on the Issue of Conviction Records under Title VII of the Civil Rights Act of 1964, as amended, 42 U.S.C. § 2000e et seq. (1982). (2/4/87)*

In addition, please be aware of any applicable state laws regarding the use and evaluation of public records in the hiring process.

SEX OFFENDER REGISTRY SEARCH

This is a search of state and nationwide repositories for known sexual offenders. Rules vary from state to state regarding the dissemination of this data. Information returned may include: offense and disposition, as well as subject's name, date of birth, social security number, address, race, sex, height, weight, hair and eye color, and alias(es). Be aware that some states do not disclose information on low risk offenders.

HOMELAND SECURITY SEARCH

Identifies individuals and companies owned or controlled by, or acting for or on behalf of, targeted countries. It also lists individuals, groups, and entities, such as terrorists and narcotics traffickers designated under programs that are not country-specific. Forty-five national and international terrorist and fugitive lists are searched, including the Office of Foreign Asset Control (OFAC) Specially Designated Nationals (SDN) list. In addition, this search also includes 7 sanction lists from the U.S. Bureau of International Security and Nonproliferation as well as 82 lists of individuals excluded from federal procurement, non-procurement and reciprocal programs.

National:

- Office of Foreign Asset Control (OFAC) Specially Designated Nationals (SDN)
- Palestinian Legislative Council (PLC)
- Defense Trade Controls (DTC) Debarred Parties
- U.S. Bureau of Industry and Security Denied Persons List
- U.S. Bureau of Industry and Security Denied Entities List
- U.S. Bureau of Industry and Security Unverified Entities List
- FBI Most Wanted Terrorists List
- FBI Top Ten Most Wanted List
- FBI Seeking Information
- FBI Seeking Information on Terrorism
- FBI Parental Kidnappings
- FBI Crime Alerts
- FBI Kidnappings and Missing Persons
- FBI Televised Sexual Predators
- FBI Fugitives – Crimes Against Children
- FBI Fugitives – Cyber Crimes
- FBI Fugitives – Violent Crimes: Murders
- FBI Fugitives – Additional Violent Crimes
- FBI Fugitives – Criminal Enterprise Investigations
- FBI Fugitives – Domestic Terrorism
- FBI Fugitives – White Collar Crimes
- U.S. Marshals Service 15 Most Wanted
- U.S. Secret Service Most Wanted Fugitives
- U.S. Air Force Office of Special Investigations Most Wanted Fugitives
- U.S. Naval Criminal Investigate Service (NCIS) Most Wanted Fugitives
- U.S. Immigration and Customs Enforcement Most Wanted Fugitives
- U.S. Immigration and Customs Enforcement Most Wanted Fugitive Criminal Aliens
- U.S. Immigration and Customs Enforcement Most Wanted Human Smugglers
- U.S. Postal Inspection Service Most Wanted
- Bureau of Alcohol, Tobacco and Firearms Most Wanted
- DEA Most Wanted Fugitives
- DEA Major International Fugitives

International:

- Politically Exposed Persons List
- Foreign Agent Registrations
- United Nations Consolidated Sanctions List
- Bank of England Financial Sanctions List
- World Bank List of Ineligible Firms
- Interpol Most Wanted List
- European Union Terrorist List
- OSFI Canada List of Financial Sanctions
- Royal Canadian Mounted Police Most Wanted
- Australia Department of Foreign Affairs & Trade List
- Russian Federal Fugitives
- Scotland Yard's Most Wanted
- World's Most Wanted Fugitives

NATIONAL WANTS & WARRANTS SEARCH

The National Wants & Warrants Search is a nationwide search for outstanding, extraditable warrants in any state including misdemeanors and/or felonies. If a warrant is not extraditable, it may not show up in this search. This search provides originating source information only (agency name and phone number). Confirmation of any information is the client's responsibility.

DRIVING RECORD REPORTS

According to the courts, an employer is negligent when hiring drivers without checking driving records. If you send employees on errands, whether in company or private vehicles, you are legally exposed.

Record Contents: Reports contain state driving record information back at least three years, possibly up to seven years, depending on state policies. Some states make any infraction involving drugs or alcohol a permanent part of a driver's record. Reports may contain physical description, license information, infractions, home address, and possibly previous driver's license numbers. Some states no longer supply personal identification information due to restrictions.

If a DWI/DUI offense is the target information, it will usually appear in a criminal record, and not always on a driving record after 3 years.

Ordering Driving Records

Full name, date of birth (DOB), and driver's license number are required by most states. Name and driver's license number alone are adequate for a few states. Since the minimum data required is constantly changing, please include all three identifiers. Many states are very specific with this data. **Any error in name, SSN or DOB will result in "Driver Not Found."** Please be very accurate and ensure legibility if faxing in orders.

Annual Driving Record Service

If you are required or interested in running a driving record on all employees annually, you may provide us with a spreadsheet containing all necessary data and we can import that information directly into our system. With this service, clients can avoid having to input data online for each individual driver. In return, clients will receive a spreadsheet with summarized information for each driver, as well as a text document containing the full driving record report for each employee.

This service does not require a newly signed release from each driver as long as a 'blanket authorization' was obtained during pre-employment screening or at some prior point in employment. (Please note that 'blanket authorizations' are not allowed in the state of California. The employee must sign a new release each time a driving record is procured.)

State Specific Information

- Some states require a special state authorization in order to procure a driving record on another individual. When you order a driving record from any of those states, we will notify you of the requirement and provide the form for your applicant to complete.
- Pennsylvania requires that any end-user be registered with the state to order driving records for employment purposes. Notify us if you believe you may ever need driving records in the state of PA so that we may provide you with the required documentation. Please be aware that registration with the state may take up to two weeks, so please plan accordingly.

SOCIAL SECURITY TRACE (Name Trace)

A Social Security Number (SSN) Trace is used to identify names and addresses that are historically associated with a given Social Security Number. This search of public and private information sources provides a strong indication as to whether the name and date of birth provided by the applicant match the information in the files of credit bureaus, driver licensing bureaus, and commercial firms. It will also suggest previously used names or other aliases that should be researched. This search also provides a validation of the Social Security Number by verifying that it is a validly issued number along with the year and state of issue. This search is a crucial component of criminal history research as the address history is the roadmap used to select court jurisdictions that should be researched for criminal records.

Please note that the SSN Trace **DOES NOT** verify your applicant's identity with the government, even though it uses the government issued SSN for the search.

Reports will typically show:

- If the social security number has been validly issued (only the Social Security Administration can CONFIRM the number belongs to a given name)
- Year in which the SSN was issued (red flags should fly when a 21-year-old applies for a job using a 35-year-old SSN)
- What state the SSN was issued in
- If that number belongs to someone deceased
- Addresses where the applicant has lived or might be living now
- Aliases, previous names, AKAs, misspelled names, changed identity
- Dates of birth associated with that SSN
- Other people associated with the same SSN
- Spouse's name
- Extraneous "junk data" that can be ignored

This report is a valuable tool in directing the criminal history search. Often applicants will fail to list all previous addresses, hoping you will not find the history they are attempting to hide. The SSN Trace will often reveal cities and states they wish would remain buried, along with their criminal records.

Information on "Reported Dates (RPTD)"

The Reported Dates range listed on a SSN Trace is generated by the originating credit bureau and is derived from the dates an address is **first** and **last** reported by a subscribing financial institution. Be aware that these dates may not coincide with the actual dates of residence at that address.

Credit bureaus **do not send an update each month** verifying that a particular address is current. If more than one credit bureau reports the same address on different dates, the range displayed is usually the first date the address was reported and the last date the address was reported. If an address was reported to a bureau only once, the same date is displayed as the first date reported and the last date reported.

For many reasons, it is possible for a credit bureau to indicate more than one current address for an individual. This will result in more than one address with the same "Last Date Reported". Of these addresses, the one with the most recent "First Date Reported" is the most likely current address. Also, many people have more than one current address.

EMPLOYMENT CREDIT REPORTS

Employment Credit Reports describe an individual's credit history. These reports differ from standard credit reports in that they are designed specifically for the employment environment. They will not include credit-worthiness ratings and account numbers are disguised for security.

We have direct access to credit reports compiled by TransUnion. They are one of the 3 major credit reporting bureaus collecting information on Americans over the age of 18.

Use of Credit Reports

Employers use credit reports for those situations where employees may have access to cash, equipment, or other people's property. In these situations, an employer's knowledge of the applicant's credit history is prudent.

NOTE: Credit information used for employment requires a written policy delineating unacceptable criteria. High potential exists for discrimination and arbitrary selection if such a policy is not used in the decision.

NOTE: Credit reports of any kind leave tracks. A record of your inquiry will appear on the applicant's credit report. The individual will be able to determine when, why, and by whom a credit report was ordered. However, it will denote it was for employment purposes only, and therefore will not be a factor in calculating credit-worthiness ratings.

General Information

All 'end users' must be identified to the credit bureau and issued a subscriber number before credit reports can be ordered. Compliance Background Screening Services reserves the right to verify the existence and authenticity of any company requesting employment credit reports. This will include, but is not limited to, verification of bank and trade references as well as a physical inspection of the client's premises. We will not sell or give credit information to detective agencies, private investigators, security services, or attorneys, except in the nature of their internal employment needs. Compliance Background Screening Services will not knowingly sell these reports for skip tracing, lending or other non-employment purposes. Specific End-User application forms, required by TransUnion, can be found on our website.

VERIFICATIONS AND REFERENCE CHECKS

EMPLOYMENT VERIFICATION PERSONAL REFERENCES MILITARY EMPLOYMENT

► Previous Employment Verification & Personal References

Reference Checking Works. Here are our statistics where the rules are followed:

- ✓ 5% of the references are bogus; they never existed
- ✓ 20% are "stretched" to cover other unlisted periods
- ✓ 100% of the time we get dates of employment and job title...if it is a real employer
- ✓ 80% of the time we get salaries and reasons for leaving
- ✓ 60% of the time we get some additional questions answered

When submitting information for Previous Employment Verification, review the application **and** resume thoroughly. Keep in mind, resumes alone do not supply all the information needed, and are often "doctored" to meet your advertised needs. Many past employers will only verify information we can supply. Therefore, it is important that the information we receive is complete, up to date, and accurate.

Remember, this is *verification*. The more information you can supply, the more we can *verify*.

Self-employment, temporary assignments and working for family are not considered viable employer references. We find information from these sources to be non-existent or biased.

Default Search Product

For customers using fax-in service, we will review the employment history on a completed application and/or resume and attempt to retrieve a reference on all viable employers within a five year history.

Requirements for Ordering

Information needed:

- Complete name of each employer (initials and abbreviations are not sufficient)
- City and state of each employer
- Location of branch or satellite office where they were assigned
- Dates of employment

Additional information is helpful, such as:

- Telephone number with area code
- Name of immediate supervisor
- Title
- Salary
- Name used when employed
- Reason for leaving

Although not always required, it is suggested that a signed release be uploaded or faxed to us. When we offer to provide this release to former employers, cooperation improves and the turn-around time decreases.

We attempt to obtain the following:

EMPLOYMENT REFERENCE INFORMATION

- Dates of employment
- Job Title
- Reason for leaving
- Notice given
- Salary
- Rehire eligibility
- Punctuality / Attendance
- Performance
- Strong / Weak qualities

PERSONAL REFERENCE INFORMATION

- How long the reference has known the individual
- In what capacity has the reference known the individual
- Individual's character: Reliability, Trustworthiness
- Recommendation for hire

Additional Employment Questions

For specific industries or positions, we can develop additional screening questions. Or, you may provide us with a list of your preferred questions. If you are interested in this service, please contact our office directly.

Compliance Background Screening Services can also perform mandatory Department of Transportation drug and alcohol inquiries by client request.

Third Party Fees

Many employers utilize third party services for the verification of employment. Any cost incurred by the mandatory use of these services in order to verify employment will be passed along to the client.

Verification Process

All domestic verifications and references are processed in-house by Compliance Background Screening Services staff. Every effort is made to complete references as quickly as possible; however, we are at the mercy of the responding employer or reference. Contact is attempted daily via telephone, fax or occasionally email. If a response is not received within five business days, the reference will be closed out. If we are able to obtain information after the reference is closed, we will update the order and resend it to the client.

► **Military Records**

If an applicant's work history includes service in a branch of the military, our suggestion is that you ask the applicant for a copy of their DD214. This military exit form lists dates of service, duties held, and type of discharge. It provides all the information you may need for military verification.

Alternatively, we can send a request to the personnel records center in St. Louis, but please be aware that requests may take up to 6 weeks to be fulfilled.

If you need additional information, we must have the name and direct phone number for the applicant's previous supervisor.

EDUCATION VERIFICATION

CREDENTIAL VERIFICATION PROFESSIONAL LICENSES

Most applicants are eager to supply college or continuing education information. This information may be misrepresented in order to receive more favorable consideration. Look for words like "attended" or "completed course work", which implies possession of a degree when, in fact, this may not be the case. Surveys indicate that 30% of all job applicants lie about degrees received, institutions attended or dates of attendance. Vocational training, certification and professional licenses are often misrepresented.

► Degree Verification

Our default search product is the highest degree earned or last institution attended. However, we will gladly confirm all degrees earned and all institutions attended at a client's request. High School Diploma verification is also available, as is GED completion. Academic transcripts, GPA, or grades are not typically available.

With the growing popularity of the Internet, it is becoming easier to obtain fraudulent degrees from online "diploma mills". To guard against the proliferation of bogus accrediting agencies and fraudulent degrees and diplomas, the US Department of Education and the Council for Higher Education Accreditation publishes a list of recognized accrediting agencies. If a college or university claims to be accredited by an agency not listed as recognized, further investigation is warranted.

For each post-secondary education verification, Compliance Background Screening Services will also provide you with the school's accreditation information at no extra charge.

Requirements for Ordering

- Full name of campus (initials are not sufficient)
- City and state of campus the applicant actually attended
- Major course of study
- Degree level obtained
- Dates of attendance, to reduce the search criteria

Third Party Fees

Many educational institutions utilize third party services for the verification of degrees or attendance. Any cost incurred by the mandatory use of these services in order to verify education will be passed along to the client.

► Credential & License Verification

If the position requires an individual to have received specialized training, certification, or a professional license, we can confirm the information an individual provides. We typically provide clients with license type, issuing authority and dates of validity.

Requirements for Ordering

- Full name of issuing agency or organization
- Level of association or license type
- Identifying license or registration numbers
- State where license was issued

FEDERAL SANCTIONS & EXCLUSIONS SEARCH

This search checks the GSA's Excluded Parties List System (EPLS) and the OIG's List of Excluded Individuals/Entities (LEIE) for excluded or sanctioned individuals.

The [Excluded Parties List System \(EPLS\)](#) includes information regarding entities debarred, suspended, proposed for debarment, excluded or disqualified under the nonprocurement common rule, or otherwise declared ineligible from receiving Federal contracts, certain subcontracts, and certain Federal assistance and benefits.

The [List of Excluded Individuals/Entities \(LEIE\)](#) includes information regarding individuals or entities excluded from participating in Federally-funded health care programs. The OIG, under Congressional mandate, established a program to exclude individuals and entities affected by various legal authorities, contained in sections 1128 and 1156 of the Social Security Act, and maintains a list of all currently excluded parties called the List of Excluded Individuals/Entities. Bases for exclusion include convictions for program-related fraud and patient abuse, licensing board actions and default on Health Education Assistance Loans.

HEALTHCARE SANCTIONS SEARCH

This product will search a database of adverse actions against individuals in the healthcare industry. The search includes the OIG (LEIE), GSA (EPLS) and FDA exclusion lists, along with other 800 other sources, including federal and state agencies. The HHS Office of the Inspector General imposes exclusions on health care providers, individuals and businesses. The OIG search identifies those individuals and entities currently excluded from receiving payment from Medicare, Medicaid and all Federal health care programs. The General Services Administration Excluded Party List contains information on those parties excluded throughout the U.S. Government from receiving federal contracts or certain subcontracts and from certain types of federal financial and nonfinancial assistance and benefits. The FDA sanctions list identifies all clinical investigators who have been disqualified or "totally restricted" by the FDA due to repeated or deliberate failure to comply with applicable regulatory requirements or when the clinical investigator has repeatedly or deliberately submitted false information to the sponsor or to the FDA.

BANKING ENFORCEMENT ACTIONS

This search identifies individuals and institutions that have been the subject of banking enforcement actions, orders or penalties under the following banking agencies:

- Board of Governors of the Federal Reserve System (FRB)
- Federal Deposit Insurance Corporation (FDIC)
- National Credit Union Administration (NCUA)
- Office of the Comptroller of the Currency (OCC)
- Office of Thrift Supervision (OTS)

WORKERS' COMPENSATION

Workers' Compensation records contain abbreviated information taken from state government documents, including first reports of injury, court contested claims, medical awards, lost time claims, compensable claims and privately contributed data. The amount of information available varies from state to state. Only the most recent seven years (or less as noted) is available.

Some states do not allow public access to Workers' Compensation claim information. In that case, at your request, we can search civil court records for claim information. Therefore, the search will not contain information on claims filed, but only claims that reached the courts.

Record Contents *(may vary by state)*

- Date of the incident
- Type of injury
- Time lost
- Body part injured
- Employer name
- Disposition

When any state W/C report is ordered, a pool of 8 million proprietary records from 40 other states is searched at no additional charge.

Coverage

Workers' Compensation reports are not available in all states. This may change as laws and guidelines are adjusted at the state level. Many states require a standard signed release for this search; some require special forms that must be obtained from the state; several require notarization.

Important Information Regarding Workers' Compensation Records

Workers' Compensation information is considered to be health and disability related under the Americans with Disabilities Act (ADA). The ADA, as well as numerous state laws, seeks to protect job seekers from discrimination in hiring as a result of filing valid claims. The ADA also seeks to prevent the discrimination against workers who, although suffering from a disability, are nevertheless able to perform essential job functions as long as there are reasonable accommodations. The bottom line is that an employer cannot request workers' compensation records in order to have a policy of not hiring anyone who has made a claim. It is discriminatory to penalize a person who has exercised a lawful right in a lawful way and filed a valid claim.

In order to be in compliance with the ADA, an employer may not inquire about an applicant's medical condition or past workers' compensation claims until a **conditional job offer** has been extended. A conditional job offer means that a person had been made an offer of employment, subject to certain conditions such as a job-related medical review.

Once a job offer has been made, an employer may pursue information about health or disability if such inquiry is related to whether the person can perform the essential job functions *with, or without*, reasonable accommodation. This information should be asked for on a separate health and disability questionnaire. If a candidate discloses a disability, then there should not be any follow-up. Questioning should be limited to whether that applicant can perform the job.

If a history of filing claims is found, then the offer may only be rescinded under very limited circumstances, such as:

- The applicant has lied about a workers' compensation history or medical condition, usually during a medical examination
- The past claims demonstrate the applicant is a safety or health threat to himself or others in the opinion of a medical expert
- The past claims demonstrate the applicant is unable to perform the essential functions of the job even with reasonable accommodation

Before attempting to utilize a search for workers' compensation claims as part of a screening program, an employer is well-advised to consult with their attorney.

ELECTRONIC FORM I-9

The Employment Eligibility Verification Form I-9 is used by an employer to verify an employee's identity and to establish that the worker is eligible to accept employment in the United States. Our Electronic Form I-9 service provides a comprehensive error-detecting solution that virtually eliminates processing errors and simplifies the document completion process.

Every employee hired after November 6, 1986 must complete an I-9 form at the time of hire. Employees must complete Section 1 of the form at the actual beginning of employment. The employer must complete Section 2 within three days of starting work. The I-9 is not required for unpaid volunteers or for contractors.

Benefits

- Secure, paperless Form I-9 storage, with 24/7 access for updating, re-verification and governmental inspection
- The ability to e-sign the I-9 form, utilizing a high-security, DHS-compliant click-to-sign solution
- “Add eDocuments” feature allows you to electronically attach related I-9 documents to employees’ I-9 Forms
- 90, 60, and 30-day e-mail alerts to be forwarded to you prior to the expiration of work authorization documents
- The ability to run reports by client location

In addition to utilizing this service for all new employees, we can also scan, index and archive paper copies of I-9 forms in order for the employer to easily access all I-9 records from one location at the touch of a button. This is especially beneficial in the case of an I-9 audit, which is becoming more and more commonplace in today’s workforce.

EMPLOYMENT ELIGIBILITY VERIFICATION (E-VERIFY)

E-Verify is a Web-based system that electronically verifies the employment eligibility of newly hired employees through Social Security Administration and Department of Homeland Security databases. Effective September 8, 2009, federal contractors and subcontractors are **required** to use the U.S. Citizenship and Immigration Services’ E-Verify system to verify their employees’ eligibility to legally work in the United States. In addition, more than a dozen states also require or strongly encourage E-Verify on certain employees. All other public and private sector employers may use the system voluntarily; however, they may verify *newly hired employees only*; you cannot use E-Verify on existing employees unless they are federal contractors or sub-contractors. Compliance Background Screening Services recommends that you use E-verify on ALL newly hired employees to keep your hiring process consistent and compliant.

Our check uses the federal E-Verify program to electronically query DHS and SSA databases and verify new employees’ U.S. work eligibility. The query result confirms whether the social security number submitted belongs to an individual who is legally permitted to work in the U.S. Enhanced capabilities include email alerts and reports that help track and monitor tentative non-confirmations.

Benefits

- Significantly reduce your potential risks of non-compliance which would result in exposure to financial penalties and consequent negative publicity
- For employers who knowingly hire or knowingly continue to employ unauthorized workers, civil penalties range from \$250 to \$11,000 per violation

- For employers engaging in a pattern or practice of knowingly hiring or continuing to employ unauthorized workers, criminal penalties can be as much as \$3,000 per unauthorized employee and/or 6 months imprisonment
- Help ensure workforce stability and assist in eliminating the potential for disruptive and costly turnover created by the mandatory removal of legally unauthorized employees
- Minimize the potential for attracting legally unauthorized candidates by acknowledging your participation in E-Verify
- Seamlessly integrates with Compliance Background Screening Services' existing ordering system
- Employee information will be carried over to the E-Verify screen to reduce data entry

Surname Guidance

The following guidance is being provided to assist employers in entering employee data when performing queries using the E-Verify system. This instruction is intended to provide basic information to our users relating to complex surnames, prefixes, name stems, compound surnames, alien identification numbers and accuracy of data.

COMPLEX SURNAMES

- 1) Ignore all suffixes such as Jr., Sr., III etc. If the employee has a compound surname, enter the entire surname.

Example name: Roberto Garcia-Ramirez, Sr.

Enter as follows: Roberto GarciaRamirez

- 2) If the employee has a compound surname consisting of prefixes and a name stem, enter the entire surname.

Example name: Alexandra De La Cruz

Enter as follows: Alexandra Delacruz

Example name: Rachel St. John

Enter as follows: Rachel Stjohn

- 3) If the employee has a compound surname with two names joined by "De", "La" or "Y", etc., enter the entire surname.

Example name: Maria Ricardo De Fuentes

Enter as follows: Maria Ricardodefuentes

- 4) Chinese, Vietnamese, Cambodians and Laotians may use their surname first and their given name last. If you encounter a surname that you believe did not match for this reason enter the first and last names in reverse.

Example name: Nguyen Thi Mai

Enter as follows: Nguyen Mai, and if necessary, Mai Nguyen

ALIEN IDENTIFICATION NUMBERS

The space provided for the alien identification number, commonly known as the "A" number, consists of a nine-digit field. If the "A" number provided by the alien is less than nine digits, you must provide leading zeros. The letter "A" is not used when providing this number.

Example: A72 735 827 should be input as 072735827

ACCURACY OF DATA

We would like to take this opportunity to remind you that after you have entered the information needed to perform a primary query, but before you send the query to the database, you should review the data for accuracy. By taking the extra step to ensure that the information submitted is correct, you may eliminate the need to perform additional steps necessary to complete the verification process.

INTERNATIONAL SEARCHES

Compliance Background Screening Services can conduct court records searches, employment verification and education confirmation in many countries throughout the world. Availability, turnaround time and cost vary significantly based on the country. For specific information regarding international searches, please contact our office.

► International Court Records

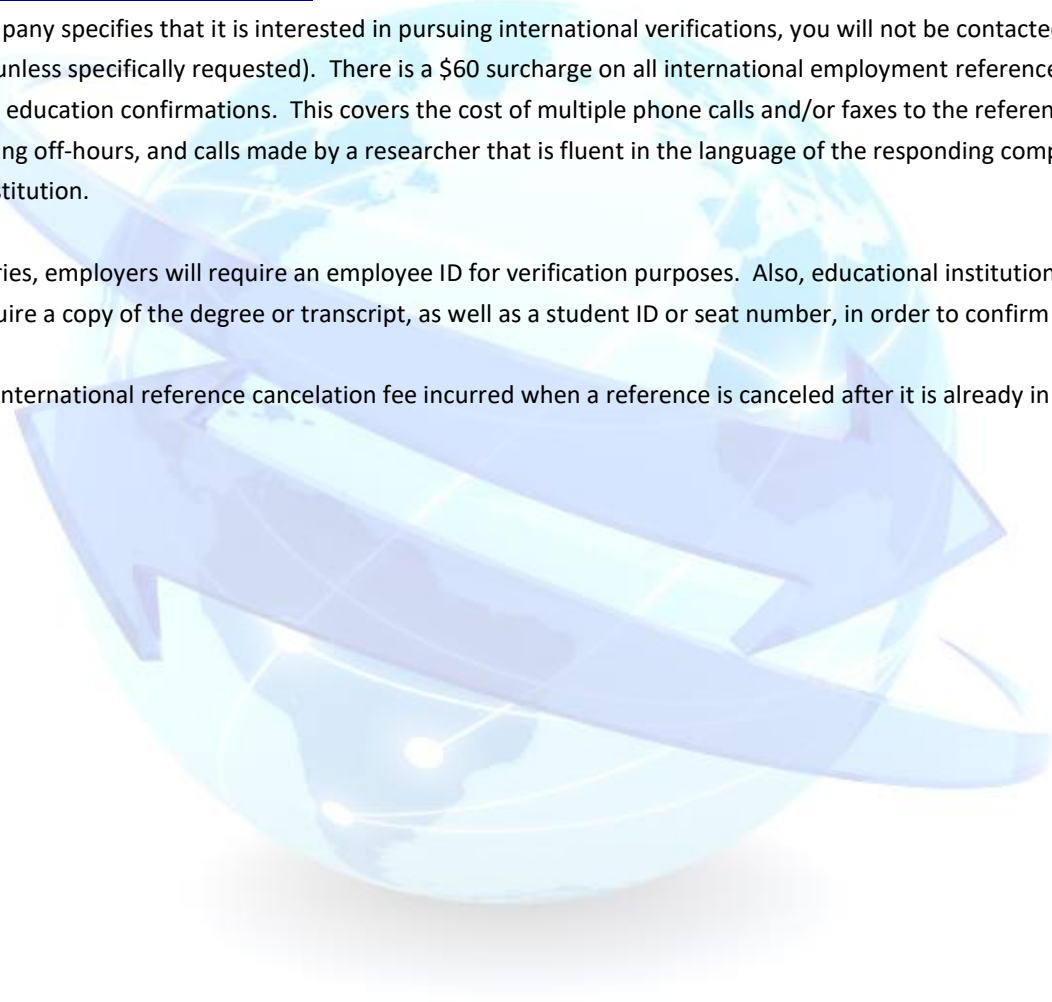
Before conducting international court records searches, we will contact the client with the cost and approximate turnaround time. Clients can make decisions on a case-by-case basis based on these factors.

► International Verifications & References

Once your company specifies that it is interested in pursuing international verifications, you will not be contacted on a case-by-case basis (unless specifically requested). There is a \$60 surcharge on all international employment references, personal references and education confirmations. This covers the cost of multiple phone calls and/or faxes to the reference country, calls made during off-hours, and calls made by a researcher that is fluent in the language of the responding company or educational institution.

In many countries, employers will require an employee ID for verification purposes. Also, educational institutions commonly require a copy of the degree or transcript, as well as a student ID or seat number, in order to confirm a degree.

There is a \$20 international reference cancellation fee incurred when a reference is canceled after it is already in process.



NATIONAL TenantSCREEN

This search is for property management companies and landlords that need an inexpensive, quick search for potential tenants. Our National TenantSCREEN combines a national criminal history database check with a national sex offender registry check to identify potentially violent criminals and sex offenders before they sign a lease.

Please note that this is not a true 'nationwide' or comprehensive national search, rather it is considered multi-jurisdictional. It is completely dependent on participation from the originating source. Originating sources may include: county court records, state repository records, or state correctional records.

NATIONAL RegistryCHECK

This tenant screening product searches the industry's largest database of landlord-tenant records to provide information that is crucial to any landlord or property manager's leasing decisions. Information includes:

- Unlawful detainer/eviction court records
- Prior landlord inquiries (alerts to who has applied to different properties)
- Landlord reported history and tenancy information supplied by property managers from across the nation

Researchers travel to courthouses where they search for all court cases pertaining to: failure to pay rent, property damage, judgments, writs and any other lease violations.

Scope: Data comes mainly from highly-populated areas and goes back about 20 years.

SSNs and DOBs are NOT normally used in search. Name & address is critical.

TENANT CREDIT REPORTS

A credit report is one of the most fundamental ways to determine your applicant's financial ability to afford rent. As such, your applicant's financial obligations and payment patterns play an important part in your rental decision. Qualified companies will be able to access a report that contains the applicant's credit history, including a summary of data, trade lines, collections, and public records. In addition, you will see detailed information on each account, including dates, balances, limits, and a 24-month payment history. Lastly, a FICO credit score supplied by TransUnion credit bureau will also be included in the report.

General Information

All 'end users' must be identified to the credit bureau and issued a subscriber number before credit reports can be ordered. Compliance Background Screening Services reserves the right to verify the existence and authenticity of any company requesting credit reports. This will include, but is not limited to, verification of bank and trade references as well as a physical inspection of the client's premises. We will not sell or give credit information to detective agencies, private investigators, security services, or attorneys. Specific End-User application forms, required by TransUnion, can be found on our website.

CHECK WRITING HISTORY (TeleCheck® Report)

This product will be available soon!

An applicant's income only represents the ability to pay your rent – not the willingness. Since your resident's rent check is most likely the largest check they will write each month, make sure it's good.

TeleCheck® is the world's leading check verification service. TeleCheck's® extensive database will identify applicants who have a history of writing bad checks or those applicants who currently have bad checks pending with other merchants.

TENANT REFERENCE CHECKS

► Rental Verification

Information provided by a previous or current landlord is crucial to determining your potential tenant's rental performance.

With this product, we attempt to verify the following information:

- Length of lease
- Past due/unpaid balances or NSF checks
- Evictions
- Lease Violations
- Unauthorized pets
- Notice to vacate
- Damages
- Deposit refund

► Employment & Salary Verification

Income level and stability is fundamental to choosing the right tenant. We will verify a potential tenant's salary and chance of continued employment to make sure they meet your rental criteria.

VolunteerSCREEN

Although volunteers are not considered “employees” under the Fair Credit Reporting Act, we feel it is best practice to screen volunteers as you would regular employees. In some cases, however, it is not cost-effective to screen volunteers with the same due diligence that can be afforded to employees. In those cases, we offer the VolunteerSCREEN.

This search combines a national criminal history database check with a national sex offender registry check to identify potentially violent criminals and sex offenders before they come into contact with at-risk populations.

Please note that this is not a true ‘nationwide’ or comprehensive national search, rather it is considered multi-jurisdictional. It is completely dependent on participation from the originating source. Originating sources may include: county court records, state repository records, or state correctional records.



DRUG TESTING

Consider these statistics:

- Nearly 7% of adults employed full-time and 9% of those employed part-time currently use illegal drugs (Substance Abuse and Mental Health Services Administration [SAMHSA]).
- More than 70% of substance abusers hold some type of job (American Council of Drug Education).

questdiagnostics.com

Compliance Background Screening Services is a Third Party Administrator (TPA) for clients who wish to utilize a drug testing program in the workplace. Through our strategic alliance partners, we offer several different types of drug testing, including federally-regulated Department of Transportation (DOT) drug testing, as well as medical review officer (MRO) services where required or when requested. We also provide collection site management and random selection services.

We contract with Quest Diagnostics for urine and hair screening. Quest Diagnostics is the world's leading provider of diagnostic testing, information and services. Each year, they perform more than 8.5 million drug tests. All Quest testing locations are subject to Clinical Laboratory Improvement Amendments of 1988 (CLIA-88) certification and maintain current CLIA licenses. Quest Diagnostics' main laboratories are accredited by the College of American Pathologists (CAP).

► [Urinalysis](#)

Urine testing, one of the most common screening methods, is an accurate and reliable way to detect casual drug use that occurred within the past 72 hours. We offer both non-regulated (non-DOT) and regulated (DOT) drug tests. Although widely used for pre-employment screening, since detection in a urine test is relatively short, it is also a perfect solution for post-accident or reasonable suspicion (for cause) drug tests. We test for the following drugs:

10 or 11 PANEL NON-DOT SCREEN	5 PANEL DOT SCREEN
Amphetamines (amphetamine and methamphetamine)	Amphetamines (amphetamine and methamphetamine)
Barbiturates	
Benzodiazepines	
Cocaine Metabolites	Cocaine Metabolites
Marijuana Metabolites	Marijuana Metabolites
Methadone	
Methaqualone	
Opiates (codeine and morphine)	Opiates
Phencyclidine (PCP)	Phencyclidine (PCP)
Propoxyphene	
MDMA (Ecstasy) (11 panel test only)	

In addition to the screening the urine for drugs, Quest Diagnostics also screens for any adulterants present in the specimen due to donor contamination.

If the initial screen, using enzyme immunoassay technology, detects the possible presence of one of the above drugs, a confirmation test is automatically performed at no charge to the client. The confirmation methodology, called gas chromatography / mass spectrometry (GC/MS), is a superior and highly accurate drug screening process. To ensure accuracy and reliability, this independent procedure uses a technique and chemical principle different from the initial screening test.

► [Hair Testing](#)

Hair testing is becoming more and more popular for the purposes of pre-employment testing. The detection window for this type of test is approximately 90 days, which allows the employer to determine if the candidate has a recent history of

drug use without providing the applicant time to abstain before a job search. We test for the following drugs:

5 PANEL HAIR
Amphetamines – amphetamine, methamphetamine, MDMA (ecstasy), MDA (metabolite of MDMA)
Cocaine Metabolites – cocaethylene, benzoecgonine, norcocaine
Marijuana Metabolites – carboxy-THC
Opiates – morphine, codeine, 6-MAM (heroin)
Phencyclidine (PCP)

► [Breath Alcohol Testing](#)

The purpose of breath alcohol testing is to determine current impairment, rather than simply the presence of alcohol. Therefore, timeliness is extremely important, even more so when you are aware of how quickly alcohol is absorbed into the system. Breath testing is typically used for post-accident or reasonable suspicion testing. It is also required as a random test for DOT employees, such as truck drivers or pilots.

► [MRO Services](#)

A Medical Review Officer (MRO) is a licensed physician who is responsible for receiving and reviewing laboratory results generated by an employer's drug testing program and evaluating medical explanations for certain drug test results. Although we offer (and recommend) MRO services for both DOT and non-DOT test results, review of the DOT results is required by law. In addition, some states require MRO review of either positive-only or positive and negative results.

► [Collection Site Management](#)

Quest Diagnostics has an extensive database of in-network and third party collection sites covering most of the country. In addition, we have established an extended network of third party collection sites to fill the voids in Quest's database. All of these locations can be accessed on our website.

In the event that we have not met your need with these two sources, the Third Party Collection Site Request Form on our website can be submitted and we will research the area in question, negotiate and establish an account, add it to our database. You will then be notified of the location, hours and requirements. There is no fee for this research service.

► [Random selection](#)

Random drug testing is a mandatory part of any DOT drug testing program. In order to maintain impartiality, Compliance Background Screening Services can handle your random selection needs. Our special software will randomly select the federally required percentage of employees for alcohol and drug testing at an appropriate interval (monthly, quarterly, etc). Clients are also welcome to utilize our DOT consortium pool for random selections.

Although not legally required, we are also happy to provide random selection services for non-DOT programs at no charge.

[Ordering Drug Tests](#)

Clients will be provided with all of the forms and information necessary to begin a drug testing program. In most cases, clients can be ready to test within 24 hours.

Use the collection site locator found on our website to find a location for the drug test. Any location listed on the Quest or Compliance Background Screening Services website may be used, but please be aware that *a \$10 collection fee is assessed when utilizing any non-Quest ('preferred') locations.* We recommend that all donors call the collection site in advance for hours and directions.

To use the Quest PSC locator website, simply enter a ZIP code in Step 1. In Step 2, choose:

For non-DOT drug testing:

- Employer and wellness services
- Drug Testing
- Non-Regulated Testing
- Urine drug screen *-or-* Hair collection
- Paper CCF

For DOT drug testing:

- Employer and wellness services
- Drug Testing
- Federal/State Regulated Testing
- DOT / NRC Urine Drug *-or-* DOT / NRC Breath Alcohol
- Paper CCF

Please note that all applicants must take a chain of custody form (COC) and a government-issued photo ID to the collection site. The COC is the detailed documentation of the drug screening process. It accounts for the integrity of each step of the procedure by tracking the handling and storage of the specimen from collection to disposal. A clinical lab will not proceed with a drug screen if they recognize the chain of custody has been broken.





BACKGROUND VERIFICATION

Frequently Asked Questions

What is the FCRA?

The FCRA is the federal Fair Credit Reporting Act, which is the governing act applicable to Consumer Reporting Agencies (CRA) and background searches. The FCRA stipulates that certain procedures be followed in order to preserve the rights and privacy of applicants. Violations of this act may create substantial legal ramifications.

Must I have the applicant's permission to do employment background searches?

If you are using a CRA such as Compliance Background Screening Services to screen your applicants or employees, then you must have their written permission to do so. The only exception relates to employee investigations.

What does the Fair Credit Reporting Act have to do with a criminal search?

The FCRA governs all background searches, not just credit reports. The Act defines permissible purposes, how the information is handled, what procedures and documentation must be followed, and even defines the procedures for when an applicant is denied a job based on the results. There is a great deal more to know about the FCRA, and we recommend all HR personnel be aware of the impact this act has on your employment decisions. The full text is available on our website.

If I do not intend to hire an applicant, do I have an obligation to that individual?

It all depends on why you are not hiring them. If the background search revealed information that caused the adverse action in whole or in part, then you are required by the FCRA to notify them of your intent not to hire them, provide a copy of their Summary of Rights, and supply a copy of all the background reports gathered. Only after allowing the applicant time to review or dispute the results can you take adverse action against them.

Are statewide searches sufficient as a criminal history search?

Although many states offer this level of search, we have witnessed a lack of sufficient information, in our opinion, to make realistic due diligence decisions. Statewide searches often only contain what the counties choose to report, and some states do not require county participation at all – it is strictly on a volunteer basis. Additionally, most states have lengthy turnaround time, causing delays in reports. We will gladly do a statewide search where offered, but we recommend it as a supplemental search only.

How many criminal history searches should I do on any one individual to be sure I have done my due diligence?

There is no set limit. At the very least, determine where the applicant has lived and worked in the last seven years and make this the basis for your searches. This is not the place to skimp. If someone has a record, they may very well move to get a “fresh start,” so don't limit your search to where they have lived the longest or most recently.

Are driving records considered public records?

No, they are not considered public records. That means you must have a ‘permissible purpose’ and some states may require proof of this with a signed release. Each state establishes their own level of information and the length of reportable data for employment searches.

Is it legal to pull your own or your family member's credit report?

You must have a legitimate permissible purpose to pull any credit report. Inform members of your staff who are authorized to pull credit reports that it is a violation of Section 604 of the Fair Credit Reporting Act to ask for a credit report without a legitimate permissible purpose. It is a violation of the law and may provide the subject of the report with grounds for a damage suit.

Can you verify social security numbers (SSN)?

In [pre-hire](#) situations, we can offer searches that can help determine the relationship of an SSN and the related names used, or when and where the SSN was issued – but we cannot confirm that a SSN and name actually match in the SSA database.

[Post-hire](#), you have several options. Compliance Background Screening Services offers E-Verify service to confirm

employment eligibility for newly hired employees. E-Verify runs the SSN against Social Security Administration and Department of Homeland Security databases to make sure the SSN and name match, as well as determine that the individual is indeed eligible to work in the United States. Clients may utilize E-Verify through Compliance Background Screening Services or directly with the government.

In addition, clients can contact the Social Security Administration directly to confirm a social security number belongs to a specific person. This method does not confirm employment eligibility.

POST-EMPLOYMENT SSN VERIFICATION

- ▶ Up to 5 names: Call 1-800-772-6270
- ▶ Up to 50 names: Fax a list to your nearest SSA office
- ▶ Over 50 names: Register for Enumeration Verification Service (EVS)

Each request must include SSN, full name, date of birth and sex.

How do I know which searches I should request?

Your background searches should be predicated on the position for which you are hiring, not on the individual you are hiring. In other words, define your searches based on the needs of the job and apply it consistently for all applicants.

What do I do if an applicant disputes the report?

We prefer that you have the applicant contact us directly so that we may gather information from them regarding the dispute. Based on the information provided by the applicant/employee, we will run the search again at no charge and either correct the information found or confirm the original information. We cannot guarantee that information belongs to your candidate; we can only guarantee that it is in the public records and [matches the major identifiers of your candidate](#). As the end-user, you are the only one who can confirm the identity of the individual. Only through fingerprints can a true identity be made.

I've been told that I should not ask an applicant for date of birth, yet it is required to do most searches. Why the contradiction?

You are not allowed to use the date of birth as a determination in offering a job; that would be discriminatory. However, DOB is one of the identifiers that local and state government agencies use when criminal records are filed. Therefore it *is* **permissible** to request it in conjunction with these searches. If you are concerned about this, we will gladly allow the applicant to supply this piece of information directly to us, thus removing the DOB from your pre-employment inquiries.

How do you retrieve records?

All of our county searches are "fresh". Information is retrieved directly from the court of jurisdiction by a researcher who physically visits the court or through electronic access to court records. You will never receive database information from a county level search request.

Why do I need a search firm? Isn't most of this information online?

Contrary to popular opinion, most criminal and other searches are not "available online." Very few county court records are accessible online, and many require special access procedures and fees. Most of the advertised sources of online criminal history does not come directly from the courts, but is retrieved from databases that are not always accurate or current. Always ask CRAs if their searches are direct from the originating source or are they simply pulled from a purchased database.

DRUG SCREENING

Frequently Asked Questions

Is drug testing accurate?

Absolutely. Most laboratories use a two-step process in which each urine sample is divided and a portion is tested using a relatively simple, inexpensive, and accurate test (using enzyme immunoassay technology). If the results of that test are positive, then a second test on a portion of the remaining specimen is conducted using a different chemical process. The second – or confirmation – test uses gas chromatography/mass spectrometry (GC/MS). Only if both portions of the divided specimen show up positive is it considered a positive result by the testing lab.

The accuracy of the initial drug screen, the immunoassay test, ranges between 92% - 98%. The accuracy of the GC/MS confirmatory test is virtually 100% from a scientific standpoint. With the use of this two-step process and professional, accredited laboratories to eliminate human error in the process, there should be no concern regarding the accuracy of drug tests.

What about “false positives?”

Most of the popular stories about what triggers a ‘false positive’ – such as what you eat or drink, what cosmetics you use, or what over-the-counter medicines you take – are based on misconceptions. They either:

- a) don’t show up at all;
- b) are not detected at sufficient levels; or
- c) are easily distinguishable in the laboratory.

Some employees have claimed that passive inhalation of marijuana smoke caused their positive test results. However, studies have shown that the exposure would have had to be so constant and prolonged, and in such a confined space, as to represent an absurd scenario. In addition, the GC/MS confirmation cutoff levels allow for these circumstances. The claim of passive inhalation triggering a positive test result is easily rejected.

Can a drug test be “beaten”?

Yes, but the odds are long and getting longer all the time. The science of drug testing has progressed significantly in recent years. Some of the procedures that have been instituted to determine intentional attempts at “beating” a drug screen are:

- Chain of Custody procedures and specific protocols that track the specimen from the moment of collection through the processing and storage procedure;
- Temperature strips, which assure the sample temperature falls within the acceptable range at the time of collection;
- Integrity testing, to determine creatinine & specific gravity levels, which detect attempts to dilute the specimen;
- Adulterant testing, developed to identify the use of nitrites and other adulterants as a means to disguise drugs in the collected sample.

An applicant tests positive for drugs and claims there must be a mistake. Should I send him for another drug test?

Under no circumstances should an applicant or employee be allowed to have a new specimen collected when they dispute a drug test result. If the Chain of Custody is intact, and the initial positive results were confirmed by GC/MS procedure, there is virtually no room for error. Keep this in mind: these tests are highly structured, federally regulated, sophisticated procedures conducted in a certified laboratory. Instead of recollection, there are other options available at this point: re-confirming the original specimen via GC/MS at Quest, transporting the specimen to another certified lab for confirmation testing, or utilizing the services of an MRO.

What happens to the specimen when someone tests positive?

When a specimen tests positive during the initial screen, it is automatically scheduled to be processed by a separate procedure (GC/MS) to confirm the presence of the drug in question. If this sample is confirmed positive, then the balance of the specimen is stored under strict laboratory procedures for future needs. It is held under refrigerated conditions for at least six months.

How long do drugs stay in an individual's system?

Drugs do not typically remain in the body for very long. Often no more than 24 – 72 hours, depending on the frequency of use and the individual's body functions. Marijuana is the exception, staying sometimes from several days to several weeks, again depending on the circumstances. However, through hair analysis, drugs are detectable up to 90 days after drug use.

Must I have a drug policy in place before I start drug testing?

Yes! You must also notify all current employees of the new policy and allow sufficient time for this new policy to be recognized throughout your company. Although you may start pre-employment testing as soon as a drug screening policy is in place, it is strongly recommended that there be a waiting period before asking current employees to submit to testing.

Should I fire an individual for having a positive result?

Every company has a different policy. Some find termination as the only answer for a positive drug screen, as drug use is an immediate breach of company policy. On the other hand, many companies now offer Employee Assistance Programs (EAP), which include drug and alcohol counseling and treatment. An EAP can be funded by the company or require the employee to fund their own treatment, as long as they can pass subsequent drug screens. Whatever procedure you adopt, the final determination will be the consistency by which you implement your discipline. Some states now require an EAP as part of the company's drug testing policy. Check your state laws for clarification.

We do pre-employment drug screening. Is it important for my company to do other types of drug testing?

Absolutely. Pre-employment urine screening is only effective in discovering hard-core abusers; those who cannot abstain for a short period of time while they look for work. The only effective way to truly make your place of employment drug-free is to include in your drug policy the stipulation that you reserve the right to test for a variety of recognized specific situations, such as random selection, reasonable suspicion, post-accident or return to duty. Be aware that some states limit or forbid the use of certain types of drug screening.

I've heard about hair testing. Is this something we should consider?

Hair testing is gaining more acceptance for pre-employment screening because of the lengthy detection period. However, it is more expensive. It is also not appropriate for post-accident or for-cause screening, as the hair must grow out at least a week before drugs can be detected. Therefore your drug screening policy should stipulate you reserve the right to use either method of drug testing.

What is a Chain of Custody and why is it important?

This is the detailed documentation of the drug screening process. It accounts for the integrity of each step of the procedure by tracking the handling and storage of the specimen from collection to disposal. This multi-part medical document, with assigned bar-coded numbers, facilitates the process and documents by whom, when and for what purpose the specimen was handled. Clinical labs will not proceed with a drug screen if they recognize the chain of custody has been broken. With a fully executed Chain of Custody, the drug screen result is completely and legally defensible.

Does the lab handle a DOT specimen differently than a non-DOT one?

The Department of Transportation has very strict guidelines for collection sites and labs in regards to the collection and testing of drug test specimens. However, Quest uses the same procedures and technology to test ALL specimens, regardless of whether the donor is DOT regulated. All specimens are processed with the same screening and confirmation

technology. The biggest differences lie in the collection requirements; for example, DOT tests are collected as split specimens.

What is the difference between a 5-panel screen and a 10-panel screen?

The collection procedure and screening process are identical. The difference is the number of drugs for which the specimen is screened. All DOT tests legally require a 5 panel screen, while non-DOT tests may utilize any size panel. QUEST Diagnostics default screen is a 10-panel.

What is GC/MS and why is this important?

Gas Chromatography / Mass Spectrometry (GC/MS) is the superior and highly accurate drug confirmation test that is used on initial positive results.

What is an *adulterated* specimen and do you screen for that?

Adulteration screening is standard in our drug screens. It screens for the presences of nitrites, a chemical purchased for the distinct purpose of adulterating the specimen to obscure the presence of drugs. Although it might be successful in obscuring drugs, the nitrites themselves are detectable and can be considered a positive drug screen; and therefore employment decisions can be made based on that confirmed positive. Nitrites are not a personality-altering substance, nor addictive.

What is the difference between a *diluted* specimen, a *substituted* specimen and an *adulterated* specimen?

'Dilute' indicates that a specimen is below minimum concentrate levels, and therefore the results are inconclusive. If a specimen is sufficiently diluted, it makes it difficult for the lab to identify any drugs that might be present. Specifically, a diluted specimen has a creatinine reading less than 20 mg/dL, but greater than 5 mg/dL, and a specific gravity less than 1.003, but greater than 1.001.

A diluted specimen may be the result of a medical condition, increased ingestion of fluid, or the addition of a liquid to the collected specimen in order to decrease the concentration. There is no way to determine if the dilution was intentional or not.

A substituted specimen is when something other than human urine has been submitted as the candidate's collected sample. Simply stated, such specimens do not exhibit the clinical signs or characteristic associated with normal urine. Specifically, a substituted specimen has a creatinine of less than or equal to 5mg/dL and a specific gravity less than or equal to 1.001 or greater than or equal to 1.020.

An adulterated specimen is when an individual has introduced a foreign substance into the collected sample to intentionally disguise drugs in the urine. There are numerous products on the market, such as Klear, that are very easily bought on the internet and have been designed for just this purpose. Specifically, an adulterated specimen is when the nitrite concentration is equal to or great than 500 cg/mL.

Quest Diagnostics has the ability to distinguish, measure and report all of these attempts to beat a drug screen. In the case of a diluted specimen, we do recommend a re-collection **only** if the first results were negative. Do not, however, give the individual any advance warning – you don't want to give them sufficient time to ingest a lot of fluids again. In the case of a substituted or adulterated result, you may consider the results to be a positive drug screen and make employment decisions on that conclusion.

What are 'cut-off levels'?

A cut-off level is the value that denotes the threshold for determining at what point there is a sufficient amount of a drug to be considered a positive result. It is possible to have a trace amount of a drug in the specimen and not test positive because the cut-offs are designed to pinpoint drug abusers and not, for instance, second hand inhalation.

What is a split sample?

Split sampling is when a specimen is divided at the time of collection and maintained as two separate samples. DOT regulations and some states require split sampling as standard procedure. However, in the case of an initial positive and absence of a split sample, the clinical lab is required to automatically retain the balance of the initial specimen for a confirmation test, as well as future requirements, for up to six months.

What is the difference between laboratories?

There can be a multitude of differences, but the most important is whether or not it is a certified lab. While not required in the private sector, it is highly advisable and more defensible in terms of a legal standpoint to use a certified laboratory.

Drug testing laboratories can be certified by:

- US Dept of Health and Human Services (HHA) Substance Abuse & Mental Health Services Administration (SAMHSA);
- College of American Pathology; and
- State health departments.

Quest Diagnostics is certified by SAMHSA, the College of American Pathology, and all other states, where required.

What are NIDA and SAMHSA?

SAMHSA stands for Substance Abuse & Mental Health Services Administration. NIDA stands for National Institute for Drug Abuse. These are federal bureaus that create and administer public policies and standards where drug and alcohol issues are involved. The cutoff levels for drug screening are set by SAMHSA, and only laboratories that meet SAMHSA certification requirements are utilized by Compliance Background Screening Services.

Where do I find the special requirement and laws for each state concerning drug screening?

Your state bar association can lead you to many publications and sources that will answer this need. You might also want to contact the Institute for a Drug-Free Workplace, which offers many publications dealing with state and federal drug testing laws, as well as many other drug testing topics. Their website address is <http://www.drugfreeworkplace.org/>.



POLICIES

The information received on all background checks from Compliance Background Screening Services is considered a **consumer report** from a **consumer reporting agency**, regulated by the *Fair Credit Reporting Act (FCRA, 15 U.S.C. 1681)*.

The information contained in each report is derived from records in accordance with the Fair Credit Reporting Act and applicable state laws. This information may only be used to verify statements made by an individual for employment purposes or in connection with other legitimate business needs. The depth of information available varies. Although every effort has been made to assure accuracy, Compliance Background Screening Services and its agents cannot act as guarantor of information accuracy or completeness. **Final verification of an individual's identity and proper use of report contents are the end user's responsibility.** The end user is responsible for acquiring and fully understanding the laws and regulations concerning the use of consumer reports. For additional information, please refer to the *Consumer Report End-User Agreement* and *Notice To Users Of Consumer Reports: Obligations Of Users Under The FCRA*. Both of these documents are provided to you during account set-up. In addition, they are always available on our website (www.2cbss.com) and by client request. The *Notice To Users Of Consumer Reports: Obligations Of Users Under The FCRA* is also found at the end of this manual.

It is further understood that only designated agents within a company may request information, and that employees are not to obtain reports except in the exercise of their official duties.

Worker's Compensation information is further subject to rules and regulations of the *Americans with Disabilities Act (ADA)*, and must be considered when requesting this information.

Credit Report information used for employment and tenant screening requires a written company policy delineating unacceptable criteria. Compliance Background Screening Services will not honor credit report requests for unauthorized or non-permissible purposes. Also be aware, TransUnion Credit Bureau requires additional forms and procedures in order to establish the client as the 'end-user'. This includes bank and trade references, as well as an on-site inspection. Look for the appropriate forms available on our website.

This information is not intended to replace competent legal advice. You are responsible for using the retrieved information in accordance with federal, state and local laws.

All changes in report availability or turnaround time will be communicated to appropriate parties as soon as possible. However, prices, availability of information and geographic coverage are subject to change without notice.

Compliance Background Screening Services is not responsible for report times that vary due to circumstances beyond our control.

Cancellations will be honored based on our ability to halt a search. If the search is already in process, we have no option but to bill as originally ordered.

We are not responsible for duplicates submitted by a client. If we can catch it, we will ask you to confirm the duplicate order. Otherwise, you are responsible for the fees for both orders.

All requests are searched based on the identifiers and information provided by the client. We cannot accurately and thoroughly research an individual's background if the identifiers provided to us include erroneous information, such as:

misspelled names, abbreviated names or nicknames, incorrect social security number, incorrect date of birth or incorrect driver's license number or state. Much of our research is based on name, SSN or DOB – any error in this information will significantly impact the quality of information returned to you. *Please be sure to double check all information before submitting a request. We are not responsible for any extra cost incurred due to incorrect identifiers.*

Drug test specimens must be collected at authorized sites only. If a specimen is collected at a site that has not been established or approved by Compliance Background Screening Services, results may be delayed and possibly lost. Additionally, any unusual or extreme fees charged by the unauthorized collection site will be billed back to the client in full.

Chain of Custody forms must be ordered from Compliance Background Screening Services and not directly from Quest Diagnostics. Forms that are procured from other sources will not have the appropriate bar code, account number or test code, which can result in lost specimens and inflated fees.

Price specific information:

- Compliance Background Screening Services charges no yearly renewal fee and no monthly or minimal fee.
- A \$5.00 service fee is added to all background verification requests manually entered by our staff.
- A \$2.00 fee may be added for each year of criminal history beyond the default 7 year search.
- Copies of actual court records are obtained for a fee determined by the court in question and are fully reimbursable to us.
- Reprints of past results may carry a nominal fee of \$2.00.

Due to government and private agencies' cost fluctuation, all prices are subject to change without prior notice.

PROCEDURES

All new accounts require a signed *Consumer Report End User Agreement*. No search will be performed without the *Agreement* on file with Compliance Background Screening Services. You must certify to Compliance Background Screening Services the specific permissible purpose for which reports will be used and that you are following appropriate procedures.

Ordering Background Screening

If you intend to use our online ordering website to submit your requests, you must certify that you have obtained a signature from each applicant or employee acknowledging that a background check will be obtained on them. Releases and other forms necessary to be in compliance are available on our website (www.2cbss.com) or by calling Compliance Background Screening Services (CBSS) at 888-959-5242.

Fax requests for background checks should be faxed to 337-376-5259 or 800-403-9044. Only requests submitted on the appropriate release forms will be honored. Turnaround time applies to date of receipt of order.

If necessary, some requests will require signed releases or other state forms to be provided to Compliance Background Screening Services. No work will be performed for searches that require special documentation without the proper execution of said forms. This includes the notarization of release forms, where required. If additional documentation is necessary, client will be notified via email.

Obtaining Results of Background Verification

Results are available in the following formats:

Online Web Access – Clients will be assigned user names and passwords for each authorized user. Results will be posted to a secured internet site as the information becomes available. Both partial and completed results may be viewed. The client may access this site 24/7.

Fax – For clients that have confidential faxes, and prefer this method, our system will allow direct faxing of results. However, there is no provision for an advance warning; therefore the client must provide security on their end to preserve the confidentiality of the information.

Email – We can e-mail results to multiple authorized users. The results are attached as a ZIP file and, for confidentiality reasons, require the use of a password to open.

Phone & Mail – For clients that do not have internet access or confidential faxes, you will be notified of results by telephone with a hard copy to follow via US Mail in a Confidential: To Addressee Only envelope. The results are usually reported to the client only once during each business day.

Communication with Clients

When there is a problem or concern with a background verification or drug test request, such as a missing date of birth or a missing signature, we will send you an email to inform you of the problem, as well as what information we need to process the request. In addition, many clients also receive results reports or notifications of completed results via email. **To make sure that you receive these important emails, please make sure that you allow the email address info@resultslogin.com to bypass your spam filters.** In addition, please be aware that result emails and status reports emails contain a .pdf attachment. All of our emails are scanned for viruses, so you may open these attachments safely.

ADVERSE ACTION INFORMATION

To remain compliant with FCRA regulations, an employer is required to follow specific notification procedures if they plan to take adverse action against an individual based in whole or in part on any information received in a consumer report or investigative consumer report. Due to the rather complicated nature of the adverse action process, having Compliance Background Screening Services handle all correspondence with the individual will save you valuable time and provide peace of mind.

What is an “adverse action”?

The FCRA defines adverse action as “a denial of employment or any other decision for employment purposes that adversely affects any current or prospective employee”. Therefore, you are required to follow adverse action procedures not only when denying a job application, but also when reassigning or terminating an employee, or denying a promotion.

If you notify us when you intend to deny employment or a promotion to a candidate, based on a consumer report or an investigative consumer report, we will send all of the legally required information to the candidate via USPS certified mail within 24 hours of your decision.

What do we send?

First Communication (Pre-Adverse Action Notice)

- Notification that you may not be offering employment due to information contained in the report
- A complete copy of all consumer reports pertaining to the individual
- A copy of *A Summary of Your Rights Under the Fair Credit Reporting Act*
- *Request for Disclosure* form that the applicant may use to dispute information or to request another copy of their report

It is important to note that once the adverse action process has been initiated, the employer is under no obligation to hold the position open for the applicant. The employer may proceed with considering and hiring another candidate. If the applicant disputes the contents of the report, and the dispute is successful, then the employer is always free to consider the applicant again for any open position.

If the applicant does not dispute the contents of the report within a reasonable time, the employer may make the hiring decision final and the second communication is sent to the individual. The FCRA does not stipulate the amount of time it considers “reasonable”. Our default time period is five business days, but employers may wish to consider a different number of days as their hiring practices permit.

Second Communication (Adverse Action Notice)

- Notice of the adverse action
- Name, address, and telephone number of the consumer reporting agency that provided the report
- A statement that the CRA did not make the decision and is unable to provide specific reasons why adverse action was taken
- A statement informing the consumer of their right to obtain another free copy of the report within 60 days
- A statement informing the consumer of their right to dispute the accuracy or completeness of any information in the report directly with the CRA
- *Request for Disclosure* form that the applicant may use to dispute information or to request another copy of their report

These steps must be completed to be in compliance with the Fair Credit Reporting Act. For a nominal fee, we can assure you that every step in the compliance procedure will be carried out per federal requirements.

► We provide Adverse Action Assistance to our tenant screening clients as well. While there is no requirement for a pre-adverse action notification, we will handle the Adverse Action notification according to FCRA requirements.

DISPUTE RESOLUTION PROCEDURE

If an applicant or employee disputes a consumer report or investigative consumer report, there are specific guidelines that Consumer Reporting Agencies must follow to remain in compliance with the FCRA. Generally speaking, we have 30 days in which to reinvestigate the accuracy and completeness of any item of information contained in a consumer's file. *There is no charge* to the consumer or employer for this reinvestigation.

The guidelines may vary somewhat based on whether we are considered a CRA or Reseller CRA in the context of the disputed information. In either case, an overview of our dispute resolution procedure is below.

▶ **Applicant disputes information contained in a Consumer Report.** If the applicant disputes the information directly with the employer, the employer is advised to have the applicant contact Compliance Background Screening Services immediately so that we may begin a reinvestigation. If the applicant contacts us directly, we will inform the employer immediately so that they are aware of the pending reinvestigation. It is our policy to re-research all disputed information.

▶ **We will begin the reinvestigation and provide the applicant and employer updates as available.** Again, there is no charge for the investigation of any disputed information. Many reinvestigations are completed within 24 hours, while others may take longer depending on the source of the information. If a case file must be ordered from a court, it may take several days to obtain the necessary information.

▶ **If it is determined that the information is inaccurate, we will make appropriate changes to the report** and immediately provide updated reports to both the employer and the applicant. We will typically notify the applicant by phone or email first, and then send a follow-up letter via USPS with the results of the investigation.

▶ **If it is determined that the information is accurate,** we will notify the applicant and employer immediately via phone or email. Applicants will also be sent a follow-up letter via USPS with the results of the investigation.



**Obligations of Users
Under the FCRA
(Fair Credit Report Act)**

NOTICE TO USERS OF CONSUMER REPORTS: *OBLIGATIONS OF USERS UNDER THE FCRA*

The federal Fair Credit Reporting Act (FCRA) requires that this notice be provided to inform users of consumer reports of their legal obligations. State law may impose additional requirements. This first section of this summary sets forth the responsibilities imposed by the FCRA on all users of consumer reports. The subsequent sections discuss the duties of users of reports that contain specific types of information, or that are used for certain purposes, and the legal consequences of violations. The FCRA, 15 U.S.C. 1681-1681u, is set forth in full at the Federal Trade Commission's Internet web site (<http://www.ftc.gov>).

I. OBLIGATIONS OF USERS OF CONSUMER REPORTS

A. Users Must Have a Permissible Purpose

Congress has limited the use of consumer reports to protect consumers' privacy. All users must have a permissible purpose under the FCRA to obtain a consumer report. Section 604 of the FCRA contains a list of the permissible purposes under the law. These are:

- As ordered by a court or a federal grand jury subpoena. Section 604(a)(1)
- As instructed by the consumer in writing. Section 604(a)(2)
- For the extension of credit as a result of an application from a consumer, or the review or collection of a consumer's account. Section 604(a)(3)(A)
- For employment purposes, including hiring and promotion decisions, where the consumer has given written permission. Sections 604(a)(3)(B) and 604(b)
- For the underwriting of insurance as a result of an application from a consumer. Section 604(a)(3)(C)
- When there is a legitimate business need, in connection with a business transaction that is initiated by the consumer. Section 604(a)(3)(F)(I)
- To review a consumer's account to determine whether the consumer continues to meet the terms of the account. Section 604(a)(3)(F)(ii)
- To determine a consumer's eligibility for a license or other benefit granted by a governmental instrumentality required by law to consider an applicant's financial responsibility or status. Section 604(a)(3)(D)
- For use by a potential investor or servicer, or current insurer, in a valuation or assessment of the credit or prepayment risks associated with an existing credit obligation. Section 604(a)(3)(E)
- For use by state and local officials in connection with the determination of child support payments, or modifications and enforcement thereof. Sections 604(a)(4) and 604(a)(5)

In addition, creditors and insurers may obtain certain consumer report information for the purpose of making unsolicited offers of credit or insurance. The particular obligations of users of this "prescreened" information are described in Section V below.

B. Users Must Provide Certifications

Section 604(f) of the FCRA prohibits any person from obtaining a consumer report from a consumer reporting agency (CRA) unless the person has certified to the CRA (by a general or specific certification, as appropriate) the permissible purpose(s) for which the report is being obtained and certifies that the report will not be used for any other purpose.

C. Users Must Notify Consumers When Adverse Actions Are Taken

The term "adverse action" is defined very broadly by Section 603 of the FCRA. "Adverse actions" include all business, credit, and employment actions affecting consumers that can be considered to have a negative impact -- such as unfavorably changing credit or contract terms or conditions, denying or canceling credit or insurance, offering credit on less favorable terms than requested, or denying employment or promotion.

1. Adverse Actions Based on Information Obtained From a CRA: If a user takes any type of adverse action that is based at least in part on information contained in a consumer report, the user is required by Section 615(a) of the FCRA to notify the consumer. The notification may be done in writing, orally, or by electronic means. It must include the following:

- The name, address, and telephone number of the CRA (including a toll-free telephone number, if it is a nationwide CRA) that provided the report.
- A statement that the CRA did not make the adverse decision and is not able to explain why the decision was made.
- A statement setting forth the consumer's right to obtain a free disclosure of the consumer's file from the CRA if the consumer requests the report within 60 days.
- A statement setting forth the consumer's right to dispute directly with the CRA the accuracy or completeness of any information provided by the CRA.

2. Adverse Actions Based on Information Obtained From Third Parties Who Are Not Consumer Reporting Agencies:

If a person denies (or increases the charge for) credit for personal, family, or household purposes based either wholly or partly upon information from a person other than a CRA, and the information is the type of consumer information covered by the FCRA, Section 615(b)(1) of the FCRA requires that the user clearly and accurately disclose to the consumer his or her right to obtain disclosure of the nature of the information that was relied upon by making a written request within 60 days of notification. The user must provide the disclosure within a reasonable period of time following the consumer's written request.

3. Adverse Actions Based on Information Obtained From Affiliates:

If a person takes an adverse action involving insurance, employment, or a credit transaction initiated by the consumer, based on information of the type covered by the FCRA, and this information was obtained from an entity affiliated with the user of the information by common ownership or control, Section 615(b)(2) requires the user to notify the consumer of the adverse action. The notification must inform the consumer that he or she may obtain a disclosure of the nature of the information relied upon by making a written request within 60 days of receiving the adverse action notice. If the consumer makes such a request, the user must disclose the nature of the information not later than 30 days after receiving the request. (Information that is obtained directly from an affiliated entity relating solely to its transactions or experiences with the consumer, and information from a consumer report obtained from an affiliate are not covered by Section 615(b)(2).)

II. OBLIGATIONS OF USERS WHEN CONSUMER REPORTS ARE OBTAINED FOR EMPLOYMENT PURPOSES

If information from a CRA is used for employment purposes, the user has specific duties, which are set forth in Section 604(b) of the FCRA. The user must:

- Make a clear and conspicuous written disclosure to the consumer before the report is obtained, in a document that consists solely of the disclosure, that a consumer report may be obtained.
- Obtain prior written authorization from the consumer.
- Certify to the CRA that the above steps have been followed, that the information being obtained will not be used in violation of any federal or state equal opportunity law or regulation, and that, if any adverse action is to be taken based on the consumer report, a copy of the report and a summary of the consumer's rights will be provided to the consumer.
- Before taking an adverse action, provide a copy of the report to the consumer as well as the summary of the consumer's rights. (The user should receive this summary from the CRA, because Section 604(b)(1)(B) of the FCRA requires CRAs to provide a copy of the summary with each consumer report obtained for employment purposes.)

III. OBLIGATIONS OF USERS OF INVESTIGATIVE CONSUMER REPORTS

Investigative consumer reports are a special type of consumer report in which information about a consumer's character, general reputation, personal characteristics, and mode of living is obtained through personal interviews. Consumers who are the subjects of such reports are given special rights under the FCRA. If a user intends to obtain an investigative consumer report, Section 606 of the FCRA requires the following:

- The user must disclose to the consumer that an investigative consumer report may be obtained. This must be done in a written disclosure that is mailed, or otherwise delivered, to the consumer not later than three days after the date on which the report was first requested. The disclosure must include a statement informing the consumer of his or her right to request additional disclosures of the nature and scope of the investigation as described below, and must include the summary of consumer rights required by Section 609 of the FCRA. (The user should be able to obtain a copy of the notice of consumer rights from the CRA that provided the consumer report.)
- The user must certify to the CRA that the disclosures set forth above have been made and that the user will make the disclosure described below.
- Upon the written request of a consumer made within a reasonable period of time after the disclosures required above, the user must make a complete disclosure of the nature and scope of the investigation that was requested. This must be made in a written statement that is mailed, or otherwise delivered, to the consumer no later than five days after the date on which the request was received from the consumer or the report was first requested, whichever is later in time.

IV. OBLIGATIONS OF USERS OF CONSUMER REPORTS CONTAINING MEDICAL INFORMATION

Section 604(g) of the FCRA prohibits consumer reporting agencies from providing consumer reports that contain medical information for

employment purposes, or in connection with credit or insurance transactions, without the specific prior consent of the consumer who is the subject of the report. In the case of medical information being sought for employment purposes, the consumer must explicitly consent to the release of the medical information in addition to authorizing the obtaining of a consumer report generally.

V. OBLIGATIONS OF USERS OF "PRESCREENED" LISTS

The FCRA permits creditors and insurers to obtain limited consumer report information for use in connection with unsolicited offers of credit or insurance under certain circumstances. Sections 603(l), 604(c), 604(e), and 615(d) This practice is known as "prescreening" and typically involves obtaining a list of consumers from a CRA who meet certain pre-established criteria. If any person intends to use prescreened lists, that person must (1) before the offer is made, establish the criteria that will be relied upon to make the offer and to grant credit or insurance, and (2) maintain such criteria on file for a three-year period beginning on the date on which the offer is made to each consumer. In addition, any user must provide with each written solicitation a clear and conspicuous statement that:

- Information contained in a consumer's CRA file was used in connection with the transaction. The consumer received the offer because he or she satisfied the criteria for credit worthiness or insurability used to screen for the offer.
- Credit or insurance may not be extended if, after the consumer responds, it is determined that the consumer does not meet the criteria used for screening or any applicable criteria bearing on credit worthiness or insurability, or the consumer does not furnish required collateral.
- The consumer may prohibit the use of information in his or her file in connection with future prescreened offers of credit or insurance by contacting the notification system established by the CRA that provided the report. This statement must include the address and toll-free telephone number of the appropriate notification system.

VI. OBLIGATIONS OF RESELLERS

Section 607(e) of the FCRA requires any person who obtains a consumer report for resale to take the following steps:

- Disclose the identity of the end-user to the source CRA.
- Identify to the source CRA each permissible purpose for which the report will be furnished to the end-user.
- Establish and follow reasonable procedures to ensure that reports are resold only for permissible purposes, including procedures to obtain:
 - (1) the identity of all end-users;
 - (2) certifications from all users of each purpose for which reports will be used; and
 - (3) certifications that reports will not be used for any purpose other than the purpose(s) specified to the reseller. Resellers must make reasonable efforts to verify this information before selling the report.

VII. LIABILITY FOR VIOLATIONS OF THE FCRA

Failure to comply with the FCRA can result in state or federal enforcement actions, as well as private lawsuits. Sections 616, 617, and 621. In addition, any person who knowingly and willfully obtains a consumer report under false pretenses may face criminal prosecution.



A SUMMARY OF YOUR RIGHTS UNDER THE FAIR CREDIT REPORTING ACT

The federal Fair Credit Reporting Act (FCRA) promotes the accuracy, fairness, and privacy of information in the files of consumer reporting agencies. There are many types of consumer reporting agencies, including credit bureaus and specialty agencies (such as agencies that sell information about check writing histories, medical records, and rental history records). Here is a summary of your major rights under the FCRA. **For more information, including information about additional rights, go to www.ftc.gov/credit or write to: Consumer Response Center, Room 130-A, Federal Trade Commission, 600 Pennsylvania Ave. N.W., Washington, D.C. 20580.**

- **You must be told if information in your file has been used against you.** Anyone who uses a credit report or another type of consumer report to deny your application for credit, insurance, or employment – or to take another adverse action against you – must tell you, and must give you the name, address, and phone number of the agency that provided the information.
- **You have the right to know what is in your file.** You may request and obtain all the information about you in the files of a consumer reporting agency (your “file disclosure”). You will be required to provide proper identification, which may include your Social Security number. In many cases, the disclosure will be free. You are entitled to a free file disclosure if:
 - a person has taken adverse action against you because of information in your credit report;
 - you are the victim of identity theft and place a fraud alert in your file;
 - your file contains inaccurate information as a result of fraud;
 - you are on public assistance;
 - you are unemployed but expect to apply for employment within 60 days.

In addition, by September 2005 all consumers will be entitled to one free disclosure every 12 months upon request from each nationwide credit bureau and from nationwide specialty consumer reporting agencies. See www.ftc.gov/credit for additional information.

- **You have the right to ask for a credit score.** Credit scores are numerical summaries of your credit-worthiness based on information from credit bureaus. You may request a credit score from consumer reporting agencies that create scores or distribute scores used in residential real property loans, but you will have to pay for it. In some mortgage transactions, you will receive credit score information for free from the mortgage lender.
- **You have the right to dispute incomplete or inaccurate information.** If you identify information in your file that is incomplete or inaccurate, and report it to the consumer reporting agency, the agency must investigate unless your dispute is frivolous. See www.ftc.gov/credit for an explanation of dispute procedures.
- **Consumer reporting agencies must correct or delete inaccurate, incomplete, or unverifiable information.** Inaccurate, incomplete or unverifiable information must be removed or corrected, usually within 30 days. However, a consumer reporting agency may continue to report information it has verified as accurate.
- **Consumer reporting agencies may not report outdated negative information.** In most cases, a consumer reporting agency may not report negative information that is more than seven years old, or

bankruptcies that are more than 10 years old.

- **Access to your file is limited.** A consumer reporting agency may provide information about you only to people with a valid need -- usually to consider an application with a creditor, insurer, employer, landlord, or other business. The FCRA specifies those with a valid need for access.
- **You must give your consent for reports to be provided to employers.** A consumer reporting agency may not give out information about you to your employer, or a potential employer, without your written consent given to the employer. Written consent generally is not required in the trucking industry. For more information, go to www.ftc.gov/credit.
- **You may limit “prescreened” offers of credit and insurance you get based on information in your credit report.** Unsolicited “prescreened” offers for credit and insurance must include a toll-free phone number you can call if you choose to remove your name and address from the lists these offers are based on. You may opt-out with the nationwide credit bureaus at 1-888-567-8688.
- **You may seek damages from violators.** If a consumer reporting agency, or, in some cases, a user of consumer reports or a furnisher of information to a consumer reporting agency violates the FCRA, you may be able to sue in state or federal court.
- **Identity theft victims and active duty military personnel have additional rights.** For more information, visit www.ftc.gov/credit.

States may enforce the FCRA, and many states have their own consumer reporting laws. In some cases, you may have more rights under state law. For more information, contact your state or local consumer protection agency or your state Attorney General. Federal enforcers are:

TYPE OF BUSINESS:	CONTACT:
Consumer reporting agencies, creditors and others not listed below	Federal Trade Commission: Consumer Response Center - FCRA Washington, DC 20580 1-877-382-4357
National banks, federal branches/agencies of foreign banks (word "National" or initials "N.A." appear in or after bank's name)	Office of the Comptroller of the Currency Compliance Management, Mail Stop 6-6 Washington, DC 20219 800-613-6743
Federal Reserve System member banks (except national banks, and federal branches/agencies of foreign banks)	Federal Reserve Board Division of Consumer & Community Affairs Washington, DC 20551 888-851-1920
Savings associations and federally chartered savings banks (word "Federal" or initials "F.S.B." appear in federal institution's name)	Office of Thrift Supervision Consumer Complaints Washington, DC 20552 800-842-6929
Federal credit unions (words "Federal Credit Union" appear in institution's name)	National Credit Union Administration 1775 Duke Street Alexandria, VA 22314 703-519-4600
State-chartered banks that are not members of the Federal Reserve System	Federal Deposit Insurance Corporation Consumer Response Center, 2345 Grand Avenue, Suite 100 Kansas City, Missouri 64108-2638 1-877-275-3342
Air, surface, or rail common carriers regulated by former Civil Aeronautics Board or Interstate Commerce Commission	Department of Transportation, Office of Financial Management Washington, DC 20590 202-366-1306

Activities subject to the Packers and Stockyards Act, 1921

Department of Agriculture
Office of Deputy Administrator GIPSA
Washington, DC 20250
202-720-7051

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