



WHITE PAPER

TOP 4 COMPLIANCE BEST PRACTICES TO AVOID LIABILITY DURING THE HIRING PROCESS



Law suits, class action suits, civil penalties and background investigations are not words employers want to hear in the same sentence.

This paper identifies 4 compliance best practices that your background screening provider should be following to ensure compliance and help you avoid liability during the hiring process.

1. REASONABLE REPORTING PROCEDURES

How compliant is your background screening provider?

The Federal Trade Commission (FTC) has found that certain practices may be indicators that a background screening provider isn't following reasonable procedures.

For example, if a report lists criminal convictions for people other than the applicant (a similar name with a different middle name or date of birth from the applicant), the company can face significant compliance concerns so significant, that two of the largest CRAs recently paid out \$10.5 million to harmed consumers, and \$2.5 million in civil fines.

Ask your background screening vendor about their litigation record.

Demand thorough matching criteria from your provider to save money and to ensure compliance.

2. PROVIDE TIMELY NOTICE

Prior to requesting a background report, the FCRA requires that applicants receive necessary disclosures in a standalone document and then provide authorization to proceed.

When the report contains public record information, and your CRA does not make sure that information is complete and up to date, (generally a poor practice and very risky shortcut), they are required to send a notice to the candidate with a copy of that public record.

Also, when background reports contain items which may have an adverse effect on a consumer's ability to obtain employment, the FCRA requires that a pre-decisional letter along with a copy of the report and the summary of rights be sent to the consumer. This notification is required prior to adverse employment, retention or promotion action being taken. However, 43 claims of improper notice were filed against 4 of the largest CRAs in the past year alone.

Improper timing of adverse hiring decisions can create legal liability for your company!



3. ENSURE INFORMATION IS ACCURATE

The FCRA requires that a background screening company “shall follow reasonable procedures to assure maximum possible accuracy of the information concerning the individual about whom the report relates.” When purchasing pressures or competitive bidding drives the pricing too low, some background screening companies take shortcuts that put them, your candidates and your company at risk.

As a user of background reports, you have a responsibility to understand the quality measures taken by your provider, and you need to consider the litigation history of potential background providers to protect your candidates and your company.

Know your background provider! Don't let a few dollars price difference for individual backgrounds put your company at risk for settlements in the millions!

4 . RE-INVESTIGATE DISPUTED INFORMATION

Even if reasonable procedures are fully implemented, employers need to ensure a process is provided to register and investigate disputes in a timely manner.

Under the FCRA, applicants have the right to ask for and access their files, dispute the accuracy of information, and receive written notice of the investigation results. Properly handled disputes protect you by ensuring that your candidates are treated fairly, and that qualified candidates are not overlooked because of incomplete, incorrect or out of date information. You should ensure that candidates can easily register disputes online, by phone, or mail.

Your CRA should have a robust dispute process overseen by senior management to ensure thorough and timely reinvestigation that protects your candidates and your company.

**Ask your CRA for dispute and accuracy statistics.
Remember, FCRA compliance is the only option!**





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Cisive's service model provides a single, integrated system throughout the globe using complete applicant information and country-specific forms. Cisive returns information to our clients through a centralized system for analysis, quality control, presentation, and billing.

With over 4 decades of experience and expertise in working with many of the world's largest financial services institutions, Cisive's deep insight into employment screening practices and industry knowhow, is unlike any other background screening provider in the industry.

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