

# Top 4 Compliance Best Practices To Avoid Liability During The Hiring Process



Lawsuits, 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 compliance concerns so significant, that two of the largest Credit Reporting Agencies (CRAs) recently paid out \$10.5 million to harmed consumers, and \$2.5 million in civil fines.

**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 Fair Credit Reporting Act (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 an end 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 check provider. Don't let a price difference of a few dollars 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.**

### ABOUT CISIVE

Cisive is a trusted partner for comprehensive, high-risk compliance-driven background screening and workforce monitoring solutions, specializing in highly regulated industries —such as healthcare, financial services, and transportation. We catch what others miss, and we are dedicated to helping our clients effortlessly secure the right talent. As a global leader, Cisive empowers organizations to hire with confidence.

Through our PreCheck division, Cisive provides specialized background screening and credentialing solutions tailored for healthcare organizations, ensuring patient and workforce safety. Driver iQ, our transportation-focused division, delivers FMCSA-compliant screening and monitoring solutions that help carriers hire and retain the safest drivers on the road.

Unlike traditional background screening providers, Cisive takes a technology-first approach powered by advanced automation, human expertise, and compliance intelligence—all delivered through a scalable platform.

Our solutions include continuous workforce monitoring, identity verification, criminal record screening, license monitoring, drug & health screening, and global background checks.

