



Applicant/Employee Background Screening

March 31, 2008

Dear Client:

Background screening (background checks) is an important part of the hiring process. Please be aware employers are required to comply with the federal Fair Credit Reporting Act (FCRA) when conducting background screening on applicants or current employees. As part of SCI's efforts to provide compliance assistance, SCI has assembled FCRA informational materials to assist you when ordering background screening from credit reporting agencies (CRAs).

This information is not intended as legal advice; please, consult an attorney if you have legal questions. SCI strongly urges you to carefully review the materials prior to ordering background screening. Background screening is your responsibility as the on-site employer. While SCI does not perform background screening for its client companies, SCI works with third party vendors who offer comprehensive background screening services (see Background Screening General Information on Client Self-Service (CSS) using your client log-in at www.scionsource.com and/or contact your Client Service Professional (CSP) for assistance.

The SCI FCRA informational materials are located on CSS → Reporting Services → Forms → Background Screening and contain the following important documents:

1. Background Screening and the Fair Credit Reporting Act
2. Background Screening General Information
3. Disclosure and Consent Authorization form for a Consumer and Investigative Credit Report
4. Adverse Employment Action Notice form
5. Pre-Adverse Employment Action Notice form
6. *A Summary of Your Rights Under the Fair Credit Reporting Act (an article from the FTC)*
7. *Remedying the Effects of Identity Theft (an article from the FTC)*
8. *Using Consumer Reports: What Employers Need to Know (an article from the Federal Trade Commission (FTC))*
9. Background Screening Services from ACI Security & Investigations
10. Background Screening Services from Tropical Surveillance
11. Background Screening Services from First Advantage

Using Consumer Reports: What Employers Need to Know (#8 above), an article from the FTC, provides critical instructions for compliance with the FCRA and an explanation of how and when to use the forms listed above. Please follow the FTC's instructions carefully; failure to strictly comply with the FCRA may result in legal liability. This article describes the responsibilities of employers, which includes the following *three important compliance steps*:

1. Provide written disclosure and obtain written consent prior to ordering a background check.
2. Provide a pre-adverse action notice prior to making an adverse employment decision based upon the results of a background check.
3. Provide an adverse action notice accompanied by a notice of the employee's rights under the Fair Credit Reporting Act if an adverse employment decision is made based upon the results of a background check.

Also, please be aware that the Fair and Accurate Credit Transactions Act of 2003 (FACT Act), which is an amendment to the FCRA, requires that users of credit reports and background screening maintain and dispose of the reports in a secure manner designed to protect employees and applicants from identity theft. For more information on the FACT Act, see *Remedying the Effects of Identity Theft (#7 above)*, an article by the FTC, included in the SCI FCRA informational materials.

Since this information and the forms may be revised from time to time, please check Client Self-Service (CSS) periodically for updates.

Sincerely,

SCI Companies

Please note that you need to have Adobe Reader 7.0 or higher installed on your computer in order to use the fill-in form capability for some SCI forms. If you do not have this program, you may download it for free at adobe.com. Failure to have the most updated version may result in missing data from the fill-in forms.

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