



General Background Screening Definitions and Terms to Know

Adverse Action Notice: When a company utilizes a Consumer Reporting Agency for its employment screening services, the Adverse Action Notice is a necessary step in the employment screening process. The adverse action notice alerts the applicant that they have been denied employment due to information that was reported in their background check report. The letter or document must include the following information: the name, address and phone number of the background screening agency, a statement that the employer has made the adverse decision and a notice that the applicant has the right to dispute any information found on the background screening report. Please note, the Adverse Action Notice must be preceded by a Pre-Adverse Action Notice.

Background Check Report: An investigation into the history and behaviors of an individual which can include criminal history, employment history, education history, credit history and driving history for employment purposes and other reasons.

Civil Records: Records relating to civil cases where an individual sues another person or business.

Consumer Report: Information, usually in a written report format, gathered by a consumer reporting agency which can include a consumer's character, general reputation, personal characteristics, credit worthiness, credit standing and/or credit capacity which has been collected for an individual's eligibility for credit or insurance purposes, employment purposes and other purposes as listed by the FCRA.

Consumer Reporting Agency (CRA): Any person or entity which gathers and evaluates consumer information for the purpose of supplying the consumer report to third parties.

Fair and Accurate Credit Transactions Act (FACTA): Part of the FCRA which is intended to help consumers fight identity theft. It set provisions on accuracy, privacy, limits information sharing and consumer rights.



FCRA: The abbreviation for the Fair Credit Reporting Act which is a federal law that regulates consumer information in how it can be collected and distributed. When a company utilizes a Consumer Reporting Agency for employment screening, all reports must be compliant under the FCRA. For more information about the FCRA, check out Crimcheck.com article titled “The FCRA is Your Friend (No, Really)”.

Motor Vehicle Report (MVR): A report of an individual’s driving history.

Negligent Hiring:

Negligent Hiring is a legal claim made by an injured party against an employer based on the premise that the employer either knew about or should have known about a situation in the employee's past that indicates they may be violent or untrustworthy.

Negligent Retention: Negligent Retention is a legal claim made by an injured party against an employer when the employer found out about a situation during the employee’s retention which could indicate they are a danger, and the employer did nothing to investigate further or negate the danger.

Pre-Adverse Action Notice: When a company utilizes a Consumer Reporting Agency for its employment screening services, the adverse action notice alerts the applicant that employer is taking adverse action based off information reported on the background report. The letter or document must include the name, address and phone number of the background screening agency, a statement that the employer intends to take adverse action and a notice that the applicant has the right to dispute any information found on the background screening report. It must also contain a copy of the background screening report and a summary of the applicant’s rights under the FCRA. The Adverse Action must follow the Pre-Adverse Action Notice.