



Federal Compliance: What You Should Know About The FCRA & EEOC



- This driver has been background checked, hasn't he?
- I assume this contractor has been background checked this year.
- I wonder if this company has an ongoing screening policy?

As consumers, we have these thoughts and questions about service providers who interact with us and get access to our personal information.



FCRA Regulations

The Fair Credit Reporting Act (FCRA) is government legislation that is designed to protect consumers. It promotes accuracy, fairness and privacy for data that is used in background checks and other consumer reports. Key components of the FCRA include:

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Disclosure



A disclosure informs an individual that your company wants to run a background check on them. This can be for hiring, promotions or other employment-related purposes. Disclosures must be **clear, conspicuous** and on a **standalone document**, meaning they cannot contain any additional content.

Authorization



Employers cannot run a background check until they receive written authorization from the person they wish to screen. If the individual does not provide consent, then a background check cannot be run.

Pre-Adverse/ Adverse Actions



Employers can take adverse actions (denial of employment, promotions, etc) based on the results of a background check, but only after **following a three-step process** that was established by the FCRA.

Step one is to send the individual written/electronic notification that an adverse action is being considered but has not yet occurred. This must be accompanied by a copy of the “Summary of Consumer Rights Under The FCRA” document and the person’s background check report.

Step two is to give the person a “**reasonable**” amount of time to review this information and file a dispute if warranted. No specific time frame is provided but a common time frame is two weeks to one month. If a dispute is filed, then a follow-up background investigation is required.

If no dispute is initiated, then step three is to **send the person written/electronic notification** about the adverse action, a second copy of the “Summary of Consumer Rights Under The FCRA” document and contact information for the consumer reporting agency that compiled the background check.

[Learn more about the FCRA.](#)

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EEOC

The Equal Opportunity Employment Commission (EEOC) enforces federal anti-discrimination laws based on protected factors such as race, color, age and gender identity.

When employers are charged with discrimination, the EEOC is authorized to investigate. They determine whether or not a discriminatory practice occurred and, if so, attempt to settle the charges. Should this not work, the EEOC may escalate the case and file a lawsuit against the employer.



Discriminatory Hiring Practices

Employers may not publish advertisements, implement recruiting policies or discriminate against job seekers.

Discriminatory Employee Policies

Employers may not base decisions about job duties, promotions, wages, benefits or other work-related items based on any protected factor.

Harassment

Employers may not harass employees or take action against an individual who files a complaint if an act of harassment occurs.

Religious Discrimination

Employers may not reasonable accommodations to allow employees to practice their religious beliefs.

[Learn more about the EEOC.](#)

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Complying with the FCRA and EEOC

Employers that do not comply with FCRA and EEOC regulations could be subjected to investigations, fines and costly lawsuits. The team at Backgrounds Online is available to help with your compliance efforts.

We recommend scheduling a call with your Account Manager to review your current policies and provide suggestions on how to improve outdated practices. Important topics to discuss include:

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- Using separate Disclosure and Authorization documents.
 - Taking adverse actions.
 - Anti-discrimination/harassment policies.
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Backgrounds Online strongly recommends that every employer discuss FCRA & EEOC regulations with their legal counsel when developing internal policies. Our team can review these policies with you but we do not provide legal advice.

Schedule a conversation with our team today.

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