

## **A Guideline for ADVERSE ACTION PROCEDURES**

Any decision based on the results of a consumer report that adversely affects any current or prospective employee for employment purposes will constitute an adverse action.

### **How to take Adverse Action**

#### **Step 1. Provide Applicant Pre-Adverse Action Documents**

If a consumer report provides information that will negatively influence the employment opportunities of an applicant, whether in whole or in part, you must do all of the following BEFORE such an adverse action (rejecting the candidate) is taken:

- a. Provide the applicant with a copy of the specific consumer report; and
- b. Provide the applicant a description in writing of their rights under the Fair Credit Reporting Act (FCRA) as prescribed by the FCRA by the Federal Trade Commission (FTC).

This pre-adverse action process allows the applicant the chance to dispute the negative information in the report. The employer should allow a reasonable amount of time for the applicant to respond to this pre-adverse notification before final determination is made or adverse action is taken. (There is an FTC opinion letter that deems 5 days as reasonable).

### **SAMPLE PRE-ADVERSE ACTION LETTER:**

#### **PRE-ADVERSE ACTION NOTIFICATION**

09-01-2009

Joe Smith  
555 Main Street  
Boulder, CO 80305

Dear Joe Smith,

A decision is currently pending concerning your application for employment or continued employment with < >.

Enclosed is a copy of the consumer report you authorized us to obtain together with a Summary of Rights Under the Fair Credit Reporting Act document. The contents of the enclosed report are currently under review in consideration of your employment.

If this report contains any information that is inaccurate or incomplete, you should contact Premier Employment Screening Services IMMEDIATELY at the address or telephone number below so that the corrected information can be reviewed prior to an adverse employment decision being made. You have five days from the date first notified of this information to dispute any inaccurate or incomplete information with Premier Employment Screening Services.

Premier Employment Screening Services  
Consumer Care Department  
113 S. College Ave.  
Fort Collins, CO 80524  
Tel.: (970) 491-9655 or (800) 350-7941

If an adverse decision affecting your employment occurs, based in whole or in part on the report, you will receive additional information.

#### **Step 2. Notify Applicant of Adverse Action (Rejection)**

If you decide to take adverse action (such as not employing the applicant), based in whole or in part, on the information revealed in the consumer report, you must do the following in writing, orally or electronically (Premier recommends written documentation):

- a. Provide notice to the applicant of the adverse action;
- b. Provide to the applicant the name, address and telephone number of the consumer reporting agency and a statement that "the consumer reporting agency did not make the decision to take the adverse action and is unable to provide the applicant the specific reasons why the adverse action was taken"; and
- c. Provide notice to the applicant of his/her right to obtain, within sixty (60) days, a free copy of the consumer report from the consumer reporting agency and to dispute with the consumer reporting agency the accuracy or completeness of any information in a consumer report furnished by the consumer reporting agency.

**SAMPLE ADVERSE ACTION LETTER:**

**ADVERSE ACTION NOTIFICATION**

09-01-2009

Joe Smith  
555 Main Street  
Boulder, CO 80305

Dear Joe Smith,

< > regrets to inform you that your application for employment has been denied, or your current employment has been terminated, based in whole or in part on information contained in a consumer report you authorized us to obtain. This consumer report was provided by:

Premier Employment Screening Services  
Consumer Care Department  
113 S. College Ave.  
Fort Collins, CO 80524  
Tel.: (970) 491-9655 or (800) 350-7941

Premier Employment Screening Services did not make the decision to take the adverse employment action and is unable to provide you with the specific reasons why the action was taken.

In accordance with the Fair Credit Reporting Act, you have previously received a copy of this information and a copy of you rights under the Act. You have the right to obtain an additional free copy of the report within 60 days of your receipt of this letter by contacting Premier Employment Screening Services at the address and telephone number above. *California Residents: You also have the same 60-day right to obtain a free copy of your credit report from any national consumer reporting agency.*

Experian: Consumer Assistance, P.O/ Box 2350, Chatsworth, CA 91313, (888)397-3742

Equifax: P.O. Box 740241, Atlanta, GA 30374-0241, (800)685-1111

TransUnion: P.O.Box 7000, North Olmstead, OH 44071, (800)888-4213

Finally, you also have the right to dispute the accuracy or completeness of any information contained in the report by contacting Premier Employment Screening Services.

Thank you for your interest in employment with < >.