



## Background Screening Terminology

The terms defined below are for the purposes of understanding their usage within Background Screening.

***Arrest:*** The taking or keeping of a person in custody by legal authority, especially in response to a criminal charge; specifically, the apprehension of someone for the purpose of securing the administration of the law, especially of bringing that person before a court.

***Background Screening:*** An inquiry into the history and behaviors of an individual under consideration for employment, tenancy credit, access to sensitive assets (such as national defense (information), and other reasons.

***Bankruptcy:*** A statutory procedure by which a debtor obtains financial relief and undergoes a judicially supervised reorganization or liquidation of the debtor's assets for the benefit of creditors.

***Civil Records:*** Official records related to civil cases, i.e., when one party sues another.

***Consumer Report:*** In general, the term means any written, oral, or other communication of any information by a consumer reporting agency bearing on a consumer's credit worthiness, credit standing, credit capacity, character, general reputation, personal characteristics, or mode of living which is used or expected to be used or collected in whole or in part for the purpose of serving as a factor in establishing the consumer's eligibility for (a) credit or insurance to be used primarily for personal, family, or household purposes; (b) employment purposes; or (c) any other purpose authorized under section 604 of the FCRA.

***Consumer Reporting Agency (CRA):*** Any person or entity which, for monetary fees, dues, or on a cooperative nonprofit basis, regularly engages in whole or in part in the practice of assembling or evaluating consumer credit information or other information on consumers for the purpose of furnishing consumer reports to third parties, and which uses any means or facility of interstate commerce for the purpose of preparing or furnishing consumer reports. Some CRA's may also, on request, prepare investigative reports not just on consumers' creditworthiness but also on personal information gathered from various sources, including interviews with neighbors, friends, and co-workers. It is also important to bear in mind that, while all credit bureaus and credit reporting agencies are CRA's, not all CRA's are credit bureaus or credit reporting agencies.

***Conviction:*** The act or process of judicially finding someone guilty of a crime; the state of having been proved guilty.

***Credit Bureau:*** See Consumer Reporting Agency.

***Credit Report:*** A detailed report of an individual's credit history prepared by a credit bureau including: (1) personal data (current and previous addresses, social security number, employment history); (2) summary of credit history (number and type of accounts that are past-due or in good standing); (3) detailed account

information; (4) inquires into applicant's credit history (number and type of inquiries into applicant's credit report); (5) details of any accounts turned over to credit agency (such as information about liens, wages garnishments via federal, state, or county records); and (6) information on how to dispute any of the above information.

***Credit Reporting Agency:*** See Consumer Reporting Agency.

***Criminal Records:*** Official records related to criminal cases. A crime is an act or omission that is prosecuted in a criminal court by a government prosecutor and can be punished by confinement, fine, restitution, and/or forfeiture of certain civil rights.

***DD Form 214:*** The term "DD-214" is often used generically to mean "separation papers" or "discharge papers," no matter what form number was used to document active duty military service. A DD-214 is issued to military members upon separation from active service and was issued to separated service members beginning in the 1950's.

***Decision-Making:*** The process of evaluating and judging information gathered and relating it to the specific requirements of the position for which the applicant is applying.

***Due Diligence:*** The attention and care that a reasonable person exercises under the circumstances to avoid harm to other persons or their property. Failure to make this effort is considered negligence.

***Employment Verification:*** The process of contacting an applicant's past employers to confirm dates of employment, title, salary, and eligibility for rehire.

***Fair and Accurate Credit Transactions Act (FACTA):*** The Fair and Accurate Credit Transaction Act of 2003, Pub. L. 108-159, 111 Stat. 1952, (FACTA) added new sections to the federal Fair Credit Reporting Act, 15 U.S.C. 1681 et seq., (FCRA) intended primarily to help consumers fight the growing crime of identity theft. Accuracy, privacy, limits on information sharing, and new consumer rights to disclosure are included in FACTA.

***Fair Credit Reporting Act (FCRA):*** The FCRA (15 U.S.C. 1681 et seq.) established specific requirements and rules that apply when an employer uses a third party to help conduct a preemployment background screen and generate a consumer report for the employer. The FCRA addresses the rights and obligations of four groups: consumer reporting agencies, users of consumer information, furnishers of consumer information, and consumers. The FCRA does not pertain only to credit reports but to the entire consumer report.

***Felony:*** A serious crime usually punishable by imprisonment for more than one year or by death. Examples include burglary, arson, rape, and murder.

***Incarceration:*** The act or process of confining someone; imprisonment.

***Investigative Consumer Report:*** A consumer report or portion thereof in which information on a consumer's character, general reputation, personal characteristics, or mode of living is obtained through personal interviews with neighbors, friends, or associates of the consumer reported on or with others with whom he is acquainted or who may have knowledge concerning any such items of information. However, such information shall not include specific factual information on a consumer's credit record obtained directly from a creditor of the consumer or from a consumer reporting agency when such information was obtained directly from a creditor of the consumer or from the consumer.

**Jail:** A local government's detention center where persons awaiting trial or those convicted of misdemeanors are confined.

**Judgment:** A court's final determination of the rights and obligations of the parties in a case.

**Lien:** A legal right or interest that a creditor has in another's property, lasting usually until a debt or duty that it secures is satisfied.

**Misdemeanor:** A crime that is less serious than a felony and is usually punishable by fine, penalty, forfeiture, or confinement (usually for a brief term) in a place other than prison (such as a county jail).

**Negligent Hiring:** The failure to use reasonable care in the employee selection process, resulting in harm caused to others. Employers have a legal duty not to hire people who could pose a threat of harm to others, which can include everything from slight to fatal bodily injury, theft, arson, or property damage. The definition of "reasonable care" depends on the degree of the risk of harm to others. The greater the risk, the higher the standard of care required.

**Pre-Adverse Action Notice:** A letter or other document informing the job applicant that the employer intends to take an adverse action against the applicant based upon information contained in a consumer report. The notice will provide the applicant with a copy of the consumer report, a summary of the applicant's rights under the FCRA, and is intended to provide the applicant a meaningful opportunity to review, reflect, and respond to the consumer report if the applicant believes it is inaccurate or incomplete.

**Prison:** A state or federal facility of confinement for convicted criminals, especially felons.

**Social Security Number:** A nine digit number resembling "123-00-1234" that is issued to an individual by the U. S. Social Security Administration. The original purpose of this number was to administer the Social Security program, but it has come to be used as a "primary key" (a *de facto* national ID number) for individuals within the United States. The nine-digit Social Security number is divided into three parts. The first three digits are the area number. Prior to 1973, the area number reflected the state in which an individual applied for a Social Security number. Since 1973, the first three digits of a Social Security number are determined by the ZIP code of the mailing address shown on the application for a Social Security number. The middle two digits are the group number. They have no special geographic or data significance but merely serve to break the number into conveniently sized blocks for orderly issuance. The last four digits are serial numbers. They represent a straight numerical sequence of digits ground screening is that it will permit determination of facts not otherwise verifiable or known.