



30-minute Lunch & Learn Webinar

Q4 Compliance Update - Beyond the Background Check: Your Essential FCRA Compliance Playbook

DECEMBER 11, 2025

Legal Disclaimer

- The information and opinions expressed are for educational purposes only and are based on current practice, industry related knowledge and business expertise. The information provided shall not be construed as legal advice, express or implied.

Presenters



Brad Odil

President / COO



Alicia Barker

Executive Director of
Compliance & Operations,
SHRM-CP



Stephanie Pier

Director of Compliance &
Project Management



**Heather
Halbrook-Fraser**

Client Relations Specialist

Agenda



Our people

Presenters

Brad Odil

Alicia Barker

Stephanie Pier

Heather Halbrook-Fraser



Compliance

Why use a Consumer Reporting Agency (RSI)

Key Responsibilities of End-Users

Common claims against CRA / End Users

Working closely with Client / applicant data

Understanding your “SCOPE” for reporting

RSI Standard 7-year Scope

Viewing Report reminders

Low Dispute Rate - process

Common Reporting Scenarios

Questions and answers to our FCRA attorney

Adverse Action



Closing

Questions and Answers

Why you are using a CRA like RSI

Compliance: Businesses that use CRAs must comply with the FCRA and other relevant laws, ensuring fair treatment and transparency in their processes.

Efficiency: Instead of gathering data from thousands of individual sources, companies can access a comprehensive report from a CRA, which is much more efficient.

Informed decisions: These reports help businesses make decisions about extending credit, hiring, and renting, by providing a picture of an individual's history.

Verification: Employers can use background checks to verify candidate information, helping them to make informed hiring decisions.

Consumer Protections: The [Fair Credit Reporting Act](#) (FCRA) ensures that the information is collected and distributed in a fair and accurate manner, and it provides consumers with rights to access and dispute their information.

Key Responsibilities of End User Certification

Obtain permission - Get written consent

Provide necessary notices

- Consumer Authorization and Disclosure
- Summary of Rights

Ensure Accuracy - Work with RSI to ensure accuracy

Use information appropriately

- Protect against discrimination
- Will not misuse the Consumer Report
- No 3rd Party viewing
- Employment or Tenant only

Safeguard consumer rights

- Comply with all legal requirements
- Adverse Action process



Common Claims against CRA / End Users

1. **Non-Compliant FCRA Disclosures**

Extraneous language

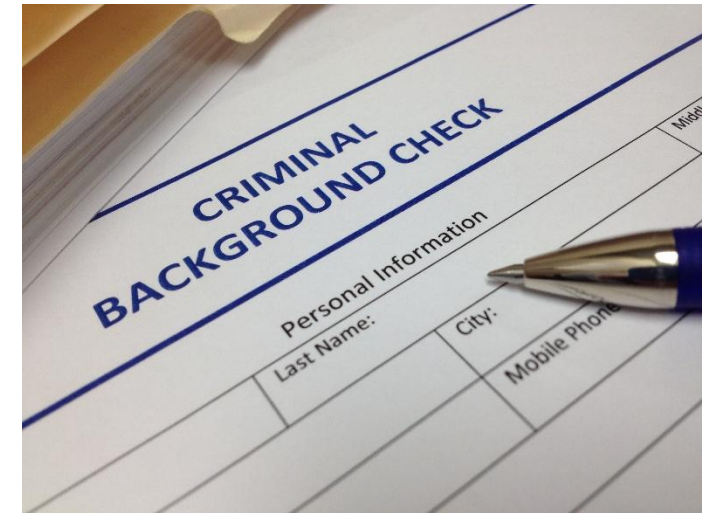
2. **Adverse Action Process**

Failure of two-step process

3. **Conviction / Arrest record discrimination**

Failure to show relationship between conviction and job function

Primary State Law claim



Consumer Complaints Increasing

	Current Month:		Previous Month:		Previous Year:		Year to Date:		Year to Date Comp:	
	Oct 01, 2025 Oct 31, 2025		Sep 01, 2025 Sep 30, 2025		Oct 01, 2024 Oct 31, 2024		Jan 01, 2025 Oct 31, 2025		Jan 01, 2024 Oct 31, 2024	
CFPB	26476		28977	-8.6%	17873	48.1%	245253	127080	93.0%	
FDCPA	493		429	14.9%	330	49.4%	3740	3633	2.9%	
FCRA	919		737	24.7%	479	91.9%	6972	5111	36.4%	
TCPA	235		288	-18.4%	162	45.1%	2364	1510	56.6%	



CFPB: Consumer Financial Protection Bureau

FDCPA: Fair Debt Collection Practices Act

FCRA: Fair Credit Reporting Act

TCPA: Telephone Consumer Protection Act

Source: WebRecon / CFPB



RSI and Clients working together

Alert RSI to known issues:

- Name changes

- Admitted past records

- Collected documents that support records

Follow strict reporting standards

Make decisions based on HR Policy

- Make sure any adverse decision is based on the job functions required

Having a “clean” report and documents to support the report protect RSI and our clients. They are the foundation to any legal challenges.

Once a report has been disputed RSI's ability to ask the applicant for additional documentation is limited



7-year criminal conviction reporting

- Current Federal Rule
 - Convictions – Reportable Forever
 - Non-Convictions / Pending / Deferral – reportable 7 yrs from charge date or file date
- 9 states already impose a 7-year restriction
- Some records beyond 7 years are not complete or reliable
- County Criminal search is based on 7-year address history
- Your employees think the reporting limit is 7 years
- Employer's tolerance to types of risk is changing and inline with EEOC
- Most clients scope is 7 year

7-year criminal conviction reporting

- RSI reports major felony convictions (Ex: Violence, Sex Crimes, etc.) under the federal law
 - Felonies for Life
- *Clients in Healthcare – 10-year reporting scope*
- *Child Services - Maximum reporting under federal and state law*
- *ANY Client can choose to receive customized reporting scope if necessary*
 - *Will follow maximum federal and state regulations*

Viewing Reports

- Part of End-User certification
- Be sure to read the entire report and do not rely on the Summary section when making a hiring decision
 - The Summary does not define the level of the “alert”
- Social Security Trace cannot be used to make a hiring decision
- Your written hiring policy should identify disqualifying records

ADDRESS(ES)

CITY / STATE / ZIP

CHARLESTON, WV 25313

Identity Development

Investigative

County Criminal Records Search

RESULTS

No Reportable Records Found

NAME SEARCHED

SEARCH DATE

04-17-2024 2:49 PM MDT

DOB SEARCHED

SEARCH SCOPE

10 Years

JURISDICTION

NC-ONSLow

RESULTS

No Reportable Records Found

NAME SEARCHED

SEARCH DATE

04-18-2024 7:14 AM MDT

DOB SEARCHED

SEARCH SCOPE

10 Years

JURISDICTION

NC-PITT

***** Alert!! *****

RESULTS

Records Found

NAME SEARCHED

SEARCH DATE

04-22-2024 9:17 AM MDT

DOB SEARCHED

SEARCH SCOPE

10 Years

JURISDICTION

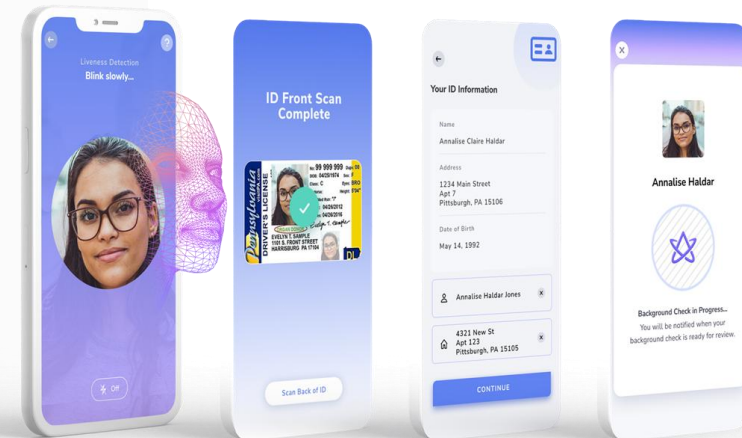
WV-KANAWHA

Low Dispute Rate and why?

- RSI has strict reporting standards
 - Follow all FCRA Federal and State restrictions
 - Records must be supported by **at least 2 personal identifiers**, common names **require 3**
 - Name (best to always include middle name or initial on order)
 - Address
 - Social Security Number
 - Drivers License Number
 - Date of Birth
 - Applicant disclosed info
- Name Grades explained
 - 60% Threshold
- **Biometric ID Verification**
- Follow Strict Dispute handling process
- Plaintiff's lawyers are looking for your mistakes

RSI Dispute Rate
2025

6/100th of 1%



Scenario #1 - Cannot report from - Public Access to Criminal Records - Federal (PACR)

The FCRA restrictions prohibit a CRA from using a public record source like PACR to report criminal records in two main situations:

Inaccurate or misleading information: The FCRA requires CRAs to maintain reasonable procedures to ensure "maximum possible accuracy". Public record searches, especially automated ones, can easily lead to inaccuracies. Information in PACR could be outdated, relate to a person with a similar name, or list charges without their final disposition. Reporting such information can violate the FCRA's accuracy requirements.

Impermissible purpose: Under the FCRA, a CRA must have a "permissible purpose" to provide a consumer report. If a CRA's matching procedures are insufficient (e.g., matching by name only), it risks reporting on a person other than the one intended by the user, thereby violating the permissible purpose rule. The Consumer Financial Protection Bureau (CFPB) has explicitly stated that disclaimers do not cure these violations.

Scenario #2

- Client ordered Pennsylvania Access To Criminal History (PATCH) on their own
 - Reminder, CRA cannot report from PATCH
 - Must confirm with County data
 - RSI cannot share a PATCH report
 - Could see a record not reported by RSI
- RSI saw a record on the Nationwide Data; however, county data could not be verified
 - County Record only had first name and last name
 - PATCH had middle name
 - Name grades score for first / last was 70% but still too high to give confidence in data

Scenario #3 – no reportable records

- Client see's local news story about their employee and “arrest”
- Arrest is reported on Continuous Monitoring report
 - RSI does not report record on Consumer Report
 - No formal charges were ever filed by the courts
 - Therefore, nothing to report



Question for FCRA attorney

- **Kentucky Reporting Law**
 - 367.310 Consumer reporting agency records restriction. No consumer reporting agency shall maintain any information in its files relating to any charge in a criminal case, in any court of this Commonwealth, **unless the charge has resulted in a conviction**
- **Response –** “As such, the conservative advice is not to report anything other than true “convictions” in Kentucky. That would include pending, dismissed and items that are on a deferred adjudication.”



Question for FCRA attorney

- Should we report WHY an individual is on a Medical Exclusions list (or Sex Offenders Registry)?
- Response – “Similar to a sex offender registry search where we recommend only putting the fact that someone is on the registry, we recommend only reporting that someone is on an exclusion list and not the reason—unless it is within 7 years. Much easier to just report on the list and if someone wants more detail they can check it.”



Question for FCRA attorney

- **Can we put Address history on a Consumer Report?**

Response – “Since this is header data it is not always accurate, we don't recommend putting it in the report. It is used to populate other names and jurisdictions to search and cannot be used for an employment decision. RSI also has contractual requirements that it can't be put in a consumer report for an employment purpose.

Because it is not FCRA compliant we can't put it on the report.”

- **Showing Social Security Trace results on a consumer report**

- **Response –** “THIS INFORMATION IS NOT CONSUMER REPORT INFORMATION AND CANNOT BE USED IN MAKING ANY EMPLOYMENT /ELIGIBILITY DECISIONS..”



Adverse Action

An adverse action notice is a required legal document that informs you that you have been denied credit, employment, insurance, or other benefits based on information in a report.

- **RSI templates follow Federal requirements**
 - Pre-Adverse
 - Wait 5 days
 - Post Adverse
- **Check State regulations**
 - Illinois
 - California
 - New York
- **RSI does not take adjudicate on behalf of our clients.**
- **At client request, RSI can add additional jurisdictional reminders in our Adverse Action process when special state assessment are required (LA / NY / ILL).**



Key Takeaways



- RSI and our clients can work closely together to reduce risk and provide accurate consumer reports
- Make hiring decisions in line with your HR policy
 - Is there a direct relationship with the “alerted” activity and the job responsibilities
 - Be sure to read the entire consumer report
- FCRA complaints are on the rise +36.4% YTD
- RSI adheres to 7-year reporting scope but can customize
- RSI maintains strict reporting policies
 - 2-3 identifiers
 - Common Name grading
- All records are not reportable
 - Most must be verified at the local County Court
 - Consult RSI with any questions



Thank you

compliance@referenceservices.com