

**Adverse Action** – A negative employment action such as not hiring an applicant; not promoting or not retaining an employee.

**Adverse Action Letters** – The Fair Credit Reporting Act requires that candidates receive advance notice, called a “pre-adverse action letter,” if a credit, housing, or hiring decision might be based on information from a background check. An “adverse action letter” is required when a candidate has been declined based on a background screening. An adverse action letter must identify the company that provided the background report, as well as a way to contact the provider.

**Antitrust Acts or Laws** – Laws to protect trade and commerce from unlawful practice.

**Applicant** – The subject of the inquiry, a job applicant or current employee who is the subject of an employment verification or reference.

**Applicant Tracking System (ATS)** – Any system, whether in paper or software form, that manages both an organization’s job posting and data collection (i.e., resume/applications) process to efficiently match prospective candidates to the proper positions.

**Authorization** – Obtaining written permission from the applicant/employee for the background investigation to be conducted.

**Background Check** – The process of looking up and compiling criminal records, commercial records and financial records of an individual or an organization.

**Background Investigation** – Another term for background report or background check.

**Conditional Job Offer** – A job offer extended on the condition that an employee passes a background check. This allows companies to hire before receiving screening results.

**Consumer** – The person who is the subject of the background report; the person who is seeking employment, retention, or promotion by an employer.

**Consumer Report** – Under the FCRA, one of two official names for a background report. The other name is “investigative consumer report.” Most often the distinction between a “consumer report” and an “investigative consumer report” is that a “consumer report” contains only factual information while an “investigative consumer report” contains some opinions. Example– “Was s/he employed by your company?” This calls for a factual response. “How did s/he perform on the job?” This calls for an opinion.

**Consumer Reporting Agency (CRA)** – Another name for a background screening company as defined by the Fair Credit Reporting Act (FCRA). Any person 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.

**Cost-per-hire** – A common measure used in human resources to evaluate the average costs incurred in recruiting and hiring new employees. Generally the equation is total recruitment costs divided by total number of new hires. Typical components of this measure include relocation costs, advertising/job board fees, interviewing expenses, referral bonuses, recruitment staff compensation, skills assessment and pre-employment screening.

**CRA** – Consumer Reporting Agency.

**Disclosure** – Refers to the document and the process of informing an applicant/employee that he/she will be the subject of a background report.

**DLN** – Driver’s License Number.

**DMV** – Department of Motor Vehicle.

**DOB** – Date of Birth.

**DPPA – Drivers Privacy Protection Act of 1994.** A US federal statute governing the privacy and disclosure of personal information gathered by state Departments of Motor Vehicles.

**Driver’s License Abstract** – Search of the state Bureau of Motor Vehicle records for driver information including status, accidents, suspensions and violations.

**Due Diligence** – A reasonable and expected measure of attention taken for a particular action. Not measurable by an absolute standard, but dependent on the situation.

**Education Verification** – The process of verifying a person’s scholastic history by contacting the educational institutions or any of the automated verification systems available.

**EEOC – Equal Employment Opportunity Commission** – A federal law enforcement agency that enforces laws against workplace discrimination. The EEOC investigates discrimination complaints based on an individual’s race, color, national origin, religion, sex, age, disability, genetic information, and retaliation for reporting, participating in, and/or opposing a discriminatory practice. The Commission includes transgender status and gender identity as well as “sex-stereotyping” of lesbian, gay, bisexual individuals, as forms of sex discrimination illegal under Title VII of the Civil Rights Act of 1964.

**Electronic Signature** – This is a signature that is completed electronically, rather than signing a name with a pen or pencil. Special requirements must be met for an electronic signature to be valid in a court of law.

**Employment Purposes** – When used in connection with a Consumer Report it means a report used for the purpose of evaluating a consumer for employment, promotion, reassignment or retention as an employee.

**Employment Verification** – The process of verifying a person’s past and/or present work history by contacting their past and/or present employers or any of the automated verification systems available.

**End-User** – The entity, typically an employer in the case of employment screening, a property owner in the case of tenant screening, that originally requests and ultimately receives the qualified search results in the form of a consumer report.

**Equal Employment Opportunity (EEO)** – A system of employment practices regulated by the EEOC under which individuals are not excluded from any participation, advancement, or benefits due to race, color, religion, sex, national origin, or any other action that cannot lawfully be the basis for employment actions.

**Equal Employment Opportunity Commission (EEOC)** – A division of the United States government executive branch, the EEOC sets rules and regulations for what you’re allowed to investigate when doing background screenings on employees, candidates for employment, or contractors.

**E-Verify** – A Web-based program operated by the Social Security Administration to assist employers in determining whether an employee is eligible to work in the U.S. and whether the employee's Social Security number is valid.

**Excluded Parties List – Government Services Administration (GSA)** – Categorizes parties that have been suspended or debarred by the Chief Procurement Officer. While they are debarred or suspended, the District will not solicit offers from, award contracts to, renew, or otherwise extend contracts with, or consent to subcontracts with entities or individuals that appear on the Excluded Parties List.

**Extended Workforce** – The portion of a company's workforce made up of temporary employees, vendor employees and independent contractors.

**Fair Credit Reporting Act (FCRA)** – The federal law that regulates businesses that provide reports on consumers' credit standing, character and reputation. Requires that consumer reporting agencies adopt reasonable procedures for meeting the needs of commerce for consumer credit, personnel, insurance, and other information in a manner which is fair and equitable to the consumer, with regard to the confidentiality, accuracy, relevancy, and proper utilization of such information. Enforced by the Federal Trade Commission.

**FCRA** – Fair Credit Reporting Act.

**Federal Trade Commission (FTC)** – The government agency responsible for the administration of the FCRA. This agency has issued many non-binding opinions interpreting the FCRA.

**Final Adverse Action** – Referring to the document and the process when a negative employment decision is made, the applicant/employee receives notice of the decision.

**First Notice** – Another name given to pre-adverse or preliminary adverse action.

**Form I9** – Federal form required of all appointees to verify their U.S. citizenship, or if they are aliens, their eligibility for employment in accordance with the Immigration and Naturalization Act of 1986.

**FTC** – Federal Trade Commission.

**General Services Administration Excluded Parties List** – Search of the U.S. General Services Administration list of excluded and debarred parties. Categorizes parties that have been suspended or debarred by the Chief Procurement Officer. While they are debarred or suspended, the District will not solicit offers from, award contracts to, renew, or otherwise extend contracts with, or consent to subcontracts with entities or individuals that appear on the Excluded Parties List.

**GSA – General Services Administration** – It's an independent agency of the U.S. government established to help manage and support the basic functioning of federal agencies. The GSA supplies products and communications for U.S. government offices, provides transportation and office space to federal employees, and develops government-wide cost-minimizing policies, and other management tasks.

**Human Resource Management System (HRMS)** – Also called a human resource information system (HRIS). This is a broad collection of software and practices for managing the process of hiring and evaluating employees and potential candidates.

**Identifier(s)** – Facts used to determine whether a public record belongs to a subject, e.g., full name, date.

**Investigative Consumer Report** – Under the FCRA, one of two official names for a background report. The other name is “consumer report.” The distinction between a “consumer report” and an “investigative consumer report” is that a “consumer report” contains only factual information while an “investigative consumer report” contains some opinions. Example – “Was he employed by your company?” This calls for a factual response. “How did he perform on the job?” This calls for an opinion.

**Motor Vehicle Report (MVR)** – A report procured from a State Agency that contains information pertaining to a consumer’s driving status and driving record.

**MVR** – Motor Vehicle Report.

**NAPBS** – National Association of Professional Background Screeners.

**National Association of Professional Background Screeners (NAPBS)** – a non-profit trade association that establishes standards for background screening practices and offers training programs and certification programs.

**Negligent Hiring Failure** – To uphold your legal duty to protect your employees, customers, visitors, and members of the general public from any injuries caused by an employee you know or should have known pose a risk of harming to others.

**Notice to Users of Consumer Reports** – Obligations of users under the FCRA. Prepared by the Federal Trade Commission, this document must be given by the background screening company to employers before background screening information is provided to the employer.

**OFAC** – Office of Foreign Asset Control.

**Office of Foreign Asset Control (OFAC)** – An agency of the U.S. Department of the Treasury under the auspices of the Under Secretary of the Treasury for Terrorism and Financial Intelligence. OFAC administers and enforces economic and trade sanctions based on U. S. foreign policy and national security goals against targeted foreign states, organizations, and individuals.

**Office of Inspector General (OIG)** – It’s an office that is part of U.S. Department of the Interior. Each office includes an Inspector General and employees charged with identifying, auditing and investigating fraud, waste, abuse, and mismanagement within the parent agency.

**OIG** – Office of Inspector General.

**Permissible Purpose** – Under the FCRA, this is a legal purpose for obtaining a background report.

**Personal Identifiable Information (PII)** – Information that potentially could be utilized to commit identity theft, including but not limited to name, address, social security number and date of birth.

**PII** – Personal Identifiable Information.

**Preliminary Adverse Action** – Referring to a document and the process when a negative employment decision is being considered, the applicant/employee receives notice, a copy of his/her background report, and A Summary of Your Rights under the Fair Credit Reporting Act. This is also referred to as “Pre-Adverse Action” and “First Notice.”

**Pre-employment Screening** – Pre-employment screening services can include background screening, drug screening, skills assessment and behavioral assessment. A thorough background screen verifies important factual information about a prospective employee (i.e. identity, employment history, education credentials). It also helps gain critical information about an applicant’s character and past history that isn’t always apparent in an interview or application, such as criminal history, credit history, and driving record.

**Professional License Verification** – the process of verifying a person’s occupational certification or licensing by contacting the various state agencies that maintain and coordinate the licensure process.

**Professional Reference** – Questioning of a candidate’s professional reference via phone interview, in-person interview, or faxed, mailed or electronic questionnaire.

**Remedying the Effects of Identity Theft** – Federal Trade Commission document that must be given to applicants/employees who believe they are the victim of identity theft.

**Racketeer Influenced and Corrupt Organizations Act** – See RICO Act.

**RICO Act** – Racketeer Influenced and Corrupt Organizations Act. A U.S. federal law that provides for extended criminal penalties and a civil cause of action for acts performed as part of an ongoing criminal organization. RICO focuses on racketeering, and allows the leaders of a syndicate to be tried for the crimes which they ordered others to do, closing a perceived loophole that allowed someone who told a man to, for example, murder, to be exempt from the trial because he did not actually commit the crime personally.

**Second Notice** – Another name for “Final Adverse Action.”

**Sexual Offender Registry Search (SOR)** – A search of any number of sexual offender databases or registries. Databases may be national, state or local in scope and provided by both private and public governmental entities.

**Social Security Number Trace** – Search of credit bureau files to authenticate a person’s SSN and name. Search may show prior addresses and other names (including maiden/ alias/ aka) associated with the subject. This search may also uncover evidence of identity theft and/or deceased numbers.

**SSL (Secure Sockets Layer) encryption** – A protocol designed to provide secure encrypted communication over the internet.

**SSN** - Social Security Number.

**Summary of Your Rights under the Fair Credit Reporting Act** – Federal Trade Commission document that must be attached to a background report being provided to an applicant/employee.

**Third-Party Source** – These are organizations, generally established on a for-profit basis, that are contracted by institutions and/or employers to handle verifications. These third parties gather and maintain information from the institutions and employers they represent, and charge a fee to access their information. Typically, institutions and employers who contract with third-party sources to provide verifications will not provide this information themselves, but will refer all requests for verifications to the third-party source.

**Truncated Files** – Destroyed or partially destroyed. Unable to obtain any more information.

**Wet Signature** – A wet signature is completed by the subject by signing their name in pen or pencil.