



## **Taking Adverse Action**

As an employer, you are legally entitled to use consumer reports when you hire new employees and when you evaluate employees for promotion, reassignment, or retention. When you use these reports, however, you must comply with the Fair Credit Reporting Act - whether or not the report you ordered contains credit information.

If you decide that, based on the report you receive from us, you cannot hire, promote, reassign or retain the individual, you must go through what is called an Adverse Action procedure. This procedure protects the individual from decisions based on a report that may be inaccurate or incomplete. An Adverse Action procedure is completed as follows:

Employer provides to the consumer:

- A. A copy of the Consumer Report
- B. A copy of the Summary of Consumer Rights in the format approved by the Federal Trade Commission.
- C. An Adverse Action Notification (a sample is enclosed)
  1. Must be in written, oral or electronic form.
  2. Must contain BENN & ASSOCIATE'S name, address and phone number.
  3. Must advise the consumer of his/her right to obtain a free copy of the report within 60 days of the adverse action and to dispute the accuracy or completeness of the report.

If the individual contacts us regarding their report, we will open a formal investigation and recheck all items the individual is disputing. During this time you are required to hold the position open for the individual for a reasonable amount of time. Most labor attorneys feel one week is sufficient. When we complete our investigation, which generally takes three to five days, we will issue a final consumer report to both you and the individual, noting any changes or corrections.

At that time, if you still cannot hire, promote, reassign or retain the individual, you are no longer legally obligated to hold the position open and may fill it with another candidate. You are required to take no further action.