which the individual being investigated resides, the reporting agency cond business, and the requesting organization is incorporated and conducts busine

Credit checking is coming under heightened legal scrutiny and likely reg tion. Reasons for this include (1) credit report errors, (2) blanket usage of hi bars for applicants with credit problems, regardless of type of job and job requ ments, (3) lack of evidence supporting credit checks as a valid predictor of performance or theft and embezzlement, and (4) possible adverse impact, e cially against minorities.

Several suggestions are offered for navigating these difficult legal waters, credit checks only for jobs with financial and legal responsibilities, such as tel auditors, senior executives, and law enforcement. Be able to explain for each these jobs exactly why a credit check is necessary, and allow applicants to exp any unfavorable credit information. Be sure to watch for the development of credit checking laws and regulations, especially at the state level. The Illi Employer Credit Privacy Act, for example, prohibits employers from inqui about or using a credit history or report from applicants and employees, except certain positions.[61] Finally, remember to comply with the provisions of the FC

Criminal Checks

Criminal background checks are generally an attempt to head off potential pr lems of workplace violence, theft, fraud, and negligent hiring. The collection use of criminal history (arrest and conviction) information is governed by num ous laws and regulations. The need for these protections is the result of seve factors: disparate treatment and impact against minorities (especially Afri Americans and Hispanics) in screening decisions based on the information, questionable relevance and validity of criminal information for many jobs, use blanket "no felons" hiring practices, and the inaccuracy of criminal history inf mation in databases and elsewhere.

If the organization uses a third-party vendor to conduct criminal backgro checks, the vendor must comply with the requirements of the FCRA descri above. The organization should carefully choose vendors whose practices are compliance, and it should be wary of vendors that promise to provide "inst check" services, since such rapid service might well violate the FCRA.

The lines between permissible and impermissible practices differ for arrest/ conviction information. It is important to keep in mind that an arrest does establish that criminal conduct has occurred. Because of this, state and local p employment inquiry laws and regulations generally prohibit collection and of arrest information, as does the EEOC guidance on preemployment inqui (discussed below). Moreover, additional EEOC guidance on arrest and convic records says that an exclusion of an applicant with an arrest record likely v lates the FCRA because it is not job related and consistent with business neces (unless the employer can provide fact-based evidence to the contrary).