

## **Background Resources, Inc.**

29 W. 140 Butterfield Rd.

Suite # 105

Warrenville IL 60555

Phone: 888-800-9044

Fax: 888-621-9044



*Certified Female Business Enterprise*

Dear Valued Client:

The following is the Service Agreement for Background Resources, Inc., which needs to be completed in order to establish your account for accessing background-screening reports.

**For employment purposes, we require you to attach the following documentation:**

- a) Copy of your Articles of Incorporation and/or Business License

Background Resources, Inc. is considered a consumer reporting agency and is required to notify you of the requirements that should be followed when accessing background checks on employees. Please read the information we have attached from the FTC on consumer reports and “What Employers Need to Know.” It is also important that you understand your requirements when obtaining reports through a consumer reporting agency.

To get started, we will need you to complete the service agreement, security access requirements, and Exhibit A. Please sign and initial each page as indicated. Exhibit B and C are sample disclosures for you to keep for your records. Should you elect drug testing services, please also include the drug testing addendum.

Once completed, we will accept a faxed copy of this paperwork to get your account set-up. We are required to obtain the original Service Agreement, which you may forward at your earliest convenience. It is always best to maintain a copy in your own records.

Should you require any access to credit reports at a later date, new compliance procedures will need to be followed as well as an addendum to this agreement must be filled out. Please contact our customer service department, should you want have credit reports added to your products.

We require a \$25.00 one-time fee in order to get your account set-up with us. This will be required along with the signed agreement. Please submit payment with the agreement.

If you have any questions, please do not hesitate to contact us at 630-873-2270.

Sincerely,

Background Resources, Inc.

# Background Resources, Inc. *Service Agreement*

29 W. 140 Butterfield Rd. STE. # 105, Warrenville, IL 60555

Phone: 888-800-9044 Fax: 888-621-9044

|  |                   |                                    |  |
|--|-------------------|------------------------------------|--|
| Company Name:  |                   | Principle/Owner Name:              |  |
| Address:   |                   | City, State, Zip:                  |  |
| Phone:   | Fax:              | Email:                             |  |
| Billing Address:   |                   | City, State, Zip:                  |  |
| Business Type: <input type="checkbox"/> Corporation / LLC <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietorship *If sole proprietor, provide SSN: _____ - _____ - _____<br>(Please provide a copy of your business license and/or Articles of Incorporation) |                   |                                    |  |
| Do you need access to pull credit reports on employees? Yes No<br>(If Yes, please provide all required documentation)  |                   | Number of years in Business? _____ |  |
| Industry/Type of Business?   | TIN Number? _____ | Number of Employees? _____         |  |
| Company Web Address:   |                   |                                    |  |
| Describe the specific purpose for which you will be using our services?  |                   |                                    |  |

|   |               |        |
|---|---------------|--------|
| <b>Provide THREE Trade References: (Business references, supply company, etc...) *REQUIRED*</b> |               |        |
| Company:  | Contact Name: | Phone: |
| Company:  | Contact Name: | Phone: |
| Company:  | Contact Name: | Phone: |

|   |  |
|---|--|
| <b>Provide Bank Reference: *REQUIRED*</b> |  |
| Business Name Account Is Listed Under:    |  |
| Bank Name:                                | City, State, Zip:                      |
| Account Number:                           | Date Business Account Was Established: |
| Bank Phone Number:                        | Bank Rep Contact Name:                 |

|  |                                  |
|--|----------------------------------|
| <b>Payment Options:</b> <input type="checkbox"/> Credit Card <input type="checkbox"/> Invoice NET 30 (Option available for businesses established at least 1 year) <input type="checkbox"/> ACH/Debit. |                                  |
| <b>Billing Contact:</b> _____  | <b>Operations Manager:</b> _____ |

|   |
|---|
| How did you hear about our company? <input type="checkbox"/> Advertisement <input type="checkbox"/> Directory <input type="checkbox"/> Sales Call <input type="checkbox"/> Internet <input type="checkbox"/> Referral *If you were referred to our company by an existing client, please provide to us the name of the person or company so we may thank them.<br>_____ |
|---|

## Background Resources, Inc. Business Service Agreement

Background Resources, Inc. will keep all information entered on this form strictly confidential. Initials of Authorized Signer

**THIS AGREEMENT FOR SERVICE (“AGREEMENT”)** is entered into as of the \_\_\_\_\_ day of \_\_\_\_\_ 200\_\_, by and between **Background Resources, Inc. (BRI)** and \_\_\_\_\_ (“Client”).

### The undersigned applicant, hereinafter referred to as the “Client” agrees:

1. To comply with all provisions and accept responsibility for ordering and using information provided by background resources, inc. (BRI) in accordance with all applicable laws, but not limited to, the provisions of the Fair Credit Reporting Act 15 U.S.C. Section 1681 (FCRA), the provisions of the Driver’s Privacy Protection Act 18 U.S.C. Section 2721 et seq. (DPPA), Gramm-Leach Bliley Act (GLBA) and any state or federal laws that may apply. Client represents that it is familiar with the requirements of the FCRA, DPPA, and GLBA including specifically the permissible purposes for obtaining reports. Client will provide evidence, when reasonably requested by BRI, to show that Client is in full compliance with the FCRA. Client may obtain this information at [www.backgroundresources.com](http://www.backgroundresources.com) or [www.ftc.gov/credit](http://www.ftc.gov/credit).
2. BRI shall use good faith in attempting to obtain information from sources deemed reliable but does not guarantee the accuracy or completeness of the information provided. In no event shall BRI be held liable in any manner whatsoever for any loss or injury to Client or applicant resulting from the obtaining or furnishing of such information. Furthermore, that Client and applicant agrees to hold BRI and its sources harmless and indemnify them from any and all claims, losses, including lost profits, lost savings, or other damages arising out of the use or inability to use our Program, or arising from the Client’s interpretation or use of the data furnished by BRI shall have no obligation or duty hereunder to provide any information that is not verifiable. Any legal action will be filed in Du Page County, Illinois.
3. Agrees to comply with business verification requirement mandated by law under federal Fair Credit Reporting Act (FCRA). Subscriber understands we will verify information provided by Client, which will validate they are a legitimate business and adhere to safe and secure information protection practices. Subscriber understands that if the business verification report is returned noting Subscriber’s business does not meet information security standards, BRI will deny this application for membership. If signup fee is required, this fee will not be refunded.
4. Client certifies that it will not request any screening report unless a clear and conspicuous disclosure is first made in writing before the report is obtained, see a sample copy of Exhibit B. Client certifies that reports will be used for employment purposes only, which means that the reports will be used for the purpose of evaluating an applicant for employment, promotion, reassignment or retention as an employee. The Client further certifies that the reports will not be used for any other purpose. The applicant has authorized in writing the procurement of the report and to keep such authorization on file for a period of five (5) years. Information from the report will not be used in violation of any applicable federal or state law or regulation.
5. Client understands and agrees that prior to taking any adverse action against an applicant based in whole or in part to information contained in the consumer reports provided from BRI, that Client will provide to the applicant a copy of the consumer report with our name and how to contact BRI, along with a copy of the Federal Trade Commission Notice Summary of Consumer Rights under the FCRA, as provided in Exhibit C. To keep all reports confidential, and use only for the purpose intended and not disclose to any unrelated third parties.
6. Client further agrees that should the applicant be denied employment, or other adverse employment action taken, Client will provide the applicant: a copy of the report; and a description, in writing, or the rights of the consumer entitled: “A Summary of Your Rights Under the Fair Credit Reporting Act” and the pre-adverse and adverse notifications as contemplated in the FCRA. Client guarantees that the pre-adverse action letter and the adverse action letter will include the name, address, and telephone number of BRI. A statement that BRI did not make the decision to take the adverse action, it only provided information, and BRI cannot give specific reasons why adverse action was taken. A statement that the consumer has a right to dispute the accuracy and completeness of the report by contacting BRI.
7. The information is obtained and managed by fallible human sources, and that, for the fee charged, BRI cannot guarantee, nor will be liable for the accuracy or the depth of information provided, regardless of the origin of the inaccuracies.
8. To assume responsibility for the final verification of the applicant’s identity. It will base all decisions on its own policies, and keep all reports strictly confidential.
9. The undersigned individual, being employed by and/or financially interested in the Client identified below, and in consideration of BRI entering into a service agreement and related contracts (“Agreements”) with such Client, personally and individually guarantees all payments due to BRI by client under said Agreements. The undersigned waives presentment, protest, demand and notice of dishonor or default in connection with this guarantee and any payments due by Client under the Agreements, and the individual expressly recognizes that this Guarantee creates personal obligation, and that any default under this Guarantee may be reflected on the undersigned’ personal credit file.
10. To pay for services as required through selection of payment options. If invoiced, Client agrees to payment terms of Net 15 Days and to pay a finance charge of 1.5 % per month for any accounts in arrears. Customer understands any accounts that are considered “past due”, or in arrears for payment may have their service interrupted or discontinued. This may occur on the 10<sup>th</sup> day following the normal due date unless an agreed upon financial arrangement has been made with BRI. In addition if the account goes to collection, Customer agrees to pay all collection expenses, including legal fees. If BRI discontinues service for non-payment, an additional re-connect fee of \$50.00 shall apply to Customer’s next invoice once payment is made and services have been reinstated. Payments may also be made through Visa or MasterCard. Any returned NSF checks will impose a \$40.00 per incident fee to next invoice. That with just cause, such as delinquency or violation of the terms of this Agreement or a legal requirement, BRI may, upon its’ election, discontinue serving the client and cancel this Agreement immediately.
11. BRI employees will be glad to help customers understand a report, but they are not allowed to render any legal opinions regarding information contained in any transmitted report.
12. Client authorizes BRI to investigate the references, statements and other data contained in this agreement or obtained from client or any other person pertaining to client’s credit responsibility. It is understood that all information obtained will only be used by BRI to evaluate the application and will be held in the strictest of confidence.
13. Client will be forbidden to attempt to obtain reports on themselves, associates, or any other person except in the exercise of their official duties. The Fair Credit Reporting Act provides that any person who knowingly and willfully obtains information on a consumer from a consumer reporting agency under false pretense shall be fined under title 18, or imprisoned not more than two years, or both.
14. It is agreed that BRI reserves the right to change the schedule of service and charges from time to time upon 30 days written notice.
15. Client will cooperate and disclose requested information for periodic audits or updates by BRI for verification of permissible purpose or for security and/or compliance procedure requirements. Non-cooperation with these procedures can and may result in permanent or temporary cancellation of services with BRI.
16. This agreement shall be construed and enforced in accordance with the laws of the state of IL.
17. The Client or End User understands they are not to resell the information in whole or in part, nor to disclose any information to any third party.
18. Any business or individual who uses a consumer report is subject to the requirements of the Disposal Rule. The Rule requires the proper disposal of information and records to protect against “unauthorized access to or use of the information”. Client agrees to take reasonable measures for disposing of applicant report information. Client has read the disposal rule provided on BRI’s website.

Note: Even if you are not accessing our services via the internet, this page is required to be signed per the Security Requirements.

## SECURITY REQUIREMENTS / INTERNET ACCESS

**In consideration of the mutual covenants set forth therein, the parties agree as follows:**

Access is permitted only to designated authorized users of your BRI account who have a permissible purpose for obtaining each consumer's information ("consumer report"). It is a requirement that all BRI accounts ("Client") and their authorized users ("Users") take precautions to secure any system or device used to access confidential information. To that end, Subscriber agrees to adhere to the following:

1. The ability to obtain consumer reports must be restricted to a few key personnel. Your account number, list of authorized users and passwords must be protected in such a way that sensitive information is known only to the key personnel. Under no circumstances should unauthorized persons have knowledge of your account number, user name(s), and password(s) provided by BRI.
2. Orders for consumer reports must include the name, social security number, date of birth and address of the subject, and any other information specified by Background Resources, Inc. The operator must have a unique Internet identification and password. Sharing the identification and password is strictly prohibited. All consumer reports delivered by Background Resources, Inc. to Client through the Internet pursuant to this Addendum will be encrypted.
3. Prior to providing an authorized user with access and a password to BRI, Client will provide user with adequate training regarding the requirements set forth in Exhibit D of this agreement as well as Client's own security policies internally. Client will make sure that each User will have read and understood the employee requirements outlined within Exhibit A.
4. Client will be responsible for any failure of an authorized user to comply with any of the end user requirements, and Client's indemnity pursuant to Section 11 below shall apply to any such failure to comply.
5. Client shall not post the BRI password at its facilities, and Client will take all other actions necessary to prevent unauthorized persons from gaining knowledge of the BRI password. The BRI password must never be released by telephone, even if the caller claims to be a BRI employee. BRI reserves the right to change the BRI password at any time to prevent unauthorized access to consumer reports delivered to Client through the Internet.
6. All Internet access software used by Client to order and obtain consumer reports through the Internet, whether developed by Client or purchased from a third-party vendor, must have the Background Resources, Inc. Password "Hidden" or embedded so that the Background Resources, Inc. Password is known only to authorized users. Each authorized user must be assigned a unique logon code ("Logon Code") to be able to open and use the Background Resources, Inc. Website. Authorized Users will be required to protect the secrecy of their Logon Codes, and as soon as an Authorized User loses such status (whether by termination of employment or otherwise), CLIENT WILL IMMEDIATELY disable such User's Logon Code and call a Background Resources, Inc. Customer Care or Tech Support Representative to notify of this change.
7. Client must use Microsoft Internet Explorer version 6.0 and above that supports 128-bit encryption. Client must also have Adobe Acrobat version 5.0 and above installed.
8. Client understands and agrees that this Agreement applies only to the delivery of consumer reports and any background searches by Background Resources, Inc. to Client by means of the Internet, and nothing in this Addendum modifies or supersedes the requirements of the Agreement regarding the transfer of consumer reports (or any information therein) by Client through the Internet. Client reaffirms that it will not transmit any consumer reports (or information therein) through the Internet without express written permission of Background Resources, Inc. pursuant to the requirements of the Agreement.
9. Client agrees that Background Resources, Inc. may, without any liability to Client, terminate or suspend Client's receipt of consumer reports via the Internet at any time, effective immediately on oral or written notice, for any reason including, without limitation, Background Resources, Inc.'s determination that such method of transmission to Client imposes a risk of misuse of the consumer reports, Client's breach of any requirement of this Addendum or the Service Agreement, any material increase to Background Resources, Inc. in the cost of using the Internet, or any other reason. In addition, if the Agreement is terminated, this Addendum shall automatically terminate.
10. Client agrees that its indemnity in the Agreement applies to any breach by Client of its obligations in this Addendum or any misuse of any credit report obtained through the Background Resources, Inc.'s Website or any information contained in any such report by any User of Client, agent, or independent contractor of Client (or former employer, agent, or Independent contractor).
11. Client agrees that BRI may audit Client's compliance with the requirements of this Addendum at any time on reasonable notice to Client and that Client will cooperate with BRI in such audits. Client agrees to

implement any change to its procedures (whether as a result of such audit or otherwise) and to establish any new procedures requested by BRI.

\_\_\_\_\_ **Initials of Authorized Signer**

12. This Addendum will not be effective until accepted and approved by BRI. No change in this Addendum may be made except pursuant to a written instrument executed by the Compliance Officer or other authorized officer of BRI.
13. By this agreement, the Client takes responsibility for attaining an authorization signature for release of investigative background inquiries to be made on the subject or applicant for any services performed by BRI.

**Please Read and Sign Below:**

**This information is submitted for the sole purpose of establishing service with BRI. Client has read and understood the agreements, addendums, and exhibits that apply and hereby certifies that the information provided is true and correct, and agrees to accept full responsibility for its employees and end users to follow these agreements & guidelines herein from BRI and in cooperation with the FCRA, DPPA, GLBA and other applicable laws with respect to approved permissible purpose.**

**ACCEPTED AND APPROVED:**

\_\_\_\_\_  
Client Authorized Signature                      Title                      Date

\_\_\_\_\_  
BRI Authorized Signature                      Title                      Date

**Note: Even if you are not accessing our services via the internet, this page is required to be signed per the security requirements.**

Note: Even if you are not accessing our services via the internet, this page is required to be signed per the Security Requirements.

## EXHIBIT A

### USER REQUIREMENTS

All authorized Users must agree to comply with the following requirements:

1. The User must have read the portions of the Addendum and the Agreement for Service relating to the permissible purposes for which consumer reports may be ordered from Background Resources, Inc. and the restrictions on the use and dissemination of such reports and the information therein, must be familiar with the requirements specified therein, and must agree to comply with such requirements.
2. The User must agree not to disclose the Background Resources, Inc. Password or the Logon Code assigned to the User to any other person.
3. The User must agree not to order consumer reports from Background Resources, Inc. except in performance of the User's official duties for Company. The User must acknowledge his or her awareness that the Fair Credit Reporting Act provides that "[ any person who knowingly and willfully obtains information on a consumer from a consumer reporting agency [such as Background Resources, Inc.] under false pretenses shall be fined under Title 18 United States Code, imprisoned for not more than 2 years, or both."
4. The User must acknowledge that consumer reports contain extremely sensitive information, and agree to protect the privacy of such information by using consumer reports obtained from Background Resources, Inc. solely in connection with the User's official duties for Company, not copying such consumer reports (except as required by the User's official duties), not providing such consumer reports or any information therein to any person (except in the course of the User official duties), and taking adequate steps to prevent unauthorized persons gaining access to such reports or information.
5. The User must agree that after termination of his or her position or employment by Company or Company's withdrawal of the User's designation as an Authorized User, the User will not obtain or attempt to obtain consumer reports from Background Resources, Inc. through the Background Resources, Inc. Password or the User's Logon Code for any reason.
6. Any scores obtained from the repositories shall not be disclosed to the consumers or any third party unless clearly required by law.
7. Employee is aware that they will be automatically timed out after 30 minutes of inactivity on system.
8. Employee will automatically be required to change their passwords every 90 days.
9. Employee will be permanently locked out of their accounts after three consecutive invalid login attempts. Should this occur, employee will need to contact our technical support department. Employee will need to verify three distinct items pertaining to their account before obtaining a new password.

**I certify that each user that I will be requesting user names and passwords has read and understands the Exhibit A as a requirement to access consumer reports. I also certify that each user that I am requesting access for consumer reports, is an employee of the Client.**

---

Client Signature

---

Dated

\*NOTE: Even if you are not accessing our services via the internet, this page is required to be signed per the Security Requirements. Please list yourself and all authorized users with a valid email

## Exhibit A (Continued)

### Users for Internet Delivery

I am requesting the following users from my office to have internet access to consumer reports provided by Background Resources, Inc. I have given each user shown below a list of the User Requirements pertaining to Internet consumer reports as well as educated the employees on the Federal and State laws. I certify that anyone whom I give access to this information understands our security procedures to protect the applicant's privacy. I acknowledge that it is my responsibility to contact Background Resources, Inc. should any user no longer have access to the consumer reports. I also acknowledge that should I become aware of any misuse or violation of this agreement by any user, I will contact Background Resources immediately.

I am requesting the following user's to receive user names and passwords for access (passwords will be issued at time of setup).

An administrator/manager email address is required, please specify under email address. All internet account correspondence will be addressed only to the administrator/manager.

**PLEASE PRINT LEGIBLY**

**User Names/Title**

**Users E-Mail Address**

|           |       |
|-----------|-------|
| 1) _____  | _____ |
| 2) _____  | _____ |
| 3) _____  | _____ |
| 4) _____  | _____ |
| 5) _____  | _____ |
| 6) _____  | _____ |
| 7) _____  | _____ |
| 8) _____  | _____ |
| 9) _____  | _____ |
| 10) _____ | _____ |

**Client Signature:** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_

**Title:** \_\_\_\_\_

**Date:** \_\_\_\_\_

## Exhibit B

### SAMPLE DISCLOSURE

*Sample Disclosure: As the employer or user of consumer reports, it is your responsibility to ensure compliance with all of the relevant federal, state and local laws governing this area. We strongly recommend that prior to use, you consult with an attorney.*

**In connection with, and duration of my employment (including contract for services) with you, I understand that investigative background inquiries are to be made on myself including consumer, criminal, driving, workers compensation, and other reports. This information will, in whole or in part, be obtained from Background Resources, Inc. (BRI). These reports will include information as to my character, work habits, wage/salary, any information reported in my file, performance and experience along with reasons for termination of past employment from previous employers. Further, I understand that you will be requesting information from various federal, state and other agencies which maintain public and non-public records concerning my past activities relating to my driving, credit, criminal, workers comp, civil and other experiences as well as claims involving me in the files of insurance companies.**

**I authorize and consent for full release of records (either orally or in writing), without reservation to any party or agency contacted by this employer to furnish the above-mentioned information. I release and hold harmless any individual, corporation, private or public entity from any and all causes of action that might arise from furnishing to the Employer and/or BRI information that they may request pursuant to this release.**

**A photo or faxed copy of this release will act as the original and shall be valid for this and any future reports or updates that may be requested by the Employer in connection with my employment. In the event that information from the report is utilized in whole or in part in making an adverse decision with regard to your potential employment, we will provide you with a copy of the consumer report and a description in writing of your rights under the Federal Fair Credit Reporting Act.**

DATE OF BIRTH\*\* \_\_\_\_/\_\_\_\_/\_\_\_\_  
Month Day Year

Used to obtain accurate retrieval of records. The age discrimination act in the employment act of 1967 prohibits discrimination in employment based on age.

PRINT FULL NAME \_\_\_\_\_

SOC.SEC. NO. \_\_\_\_/\_\_\_\_/\_\_\_\_

CURRENT ADDRESS \_\_\_\_\_

CITY/STATE/ZIP \_\_\_\_\_

DRIVER'S LICENSE NO. \_\_\_\_\_ STATE \_\_\_\_\_

APPLICANT'S SIGNATURE \_\_\_\_\_ DATE \_\_\_\_\_

PROSPECTIVE EMPLOYER \_\_\_\_\_

PLEASE LIST ANY OTHER PREVIOUS RESIDENCES FOR THE LAST 7 YEARS:

1. \_\_\_\_\_ 2. \_\_\_\_\_

California, Minnesota & Oklahoma Applicants Only: Please check here to have a copy of your consumer report sent directly to you. Under section 1786.22 of the California Civil Code, you have the right to request to B.R.I., upon proper identification, the nature and substance of all information in its files on you, including the sources of information, and the recipients of any reports on you which B.R.I. has previously furnished within the two-year period preceding my request. You may view the file maintained on you by B.R.I.

during normal business hours. You may also obtain a copy of this file upon submitting proper identification and paying the costs of duplication services. Upon making a written request, you may receive a summary of your report via telephone.

\*Date of Birth is being requested in order to obtain accurate retrieval of records.

# Exhibit C

## Notice of consumer rights under the FCRA:

### A Summary of Your Rights Under the Fair Credit Reporting Act

The federal Fair Credit Reporting Act (FCRA) is designed to promote accuracy, fairness, and privacy of information in the files of every "consumer reporting agency" (CRA). Most CRAs are credit bureaus that gather and sell information about you -- such as if you pay your bills on time or have filed bankruptcy -- to creditors, employers, landlords, and other businesses. You can find the complete text of the FCRA, 15 U.S.C. 1681-1681u, at the Federal Trade Commission's web site (<http://www.ftc.gov>). The FCRA gives you specific rights, as outlined below. You may have additional rights under state law. You may contact a state or local consumer protection agency or a state attorney general to learn those rights.

**You must be told if information in your file has been used against you.** Anyone who uses information from a CRA to take action against you -- such as denying an application for credit, insurance, or employment -- must tell you, and give you the name, address, and phone number of the CRA that provided the consumer report.

**You can find out what is in your file.** At your request, a CRA must give you the information in your file, and a list of everyone who has requested it recently. There is no charge for the report if a person has taken action against you because of information supplied by the CRA, if you request the report within 60 days of receiving notice of the action. You also are entitled to one free report every twelve months upon request if you certify that (1) you are unemployed and plan to seek employment within 60 days, (2) you are on welfare, or (3) your report is inaccurate due to fraud. Otherwise, a CRA may charge you up to eight dollars.

**You can dispute inaccurate information with the CRA.** If you tell a CRA that your file contains inaccurate information, the CRA must investigate the items (usually within 30 days) by presenting to its information source all relevant evidence you submit, unless your dispute is frivolous. The source must review your evidence and report its findings to the CRA. (The source also must advise national CRAs -- to which it has provided the data -- of any error.) The CRA must give you a written report of the investigation, and a copy of your report if the investigation results in any change. If the CRA's investigation does not resolve the dispute, you may add a brief statement to your file. The CRA must normally include a summary of your statement in future reports. If an item is deleted or a dispute statement is filed, you may ask that anyone who has recently received your report be notified of the change.

**Inaccurate information must be corrected or deleted.** A CRA must remove or correct inaccurate or unverified information from its files, usually within 30 days after you dispute it. **However, the CRA is not required to remove accurate data from your file unless it is outdated (as described below) or cannot be verified.** If your dispute results in any change to your report, the CRA cannot reinsert into your file a disputed item unless the information source verifies its accuracy and completeness. In addition, the CRA must give you a written notice telling you it has reinserted the item. The notice must include the name, address and phone number of the information source.

**You can dispute inaccurate items with the source of the information.** If you tell anyone -- such as a creditor who reports to a CRA -- that you dispute an item, they may not then report the information to a CRA without including a notice of your dispute. In addition, once you've notified the source of the error in writing, it may not continue to report the information if it is, in fact, an error.

**Outdated information may not be reported.** In most cases, a CRA may not report negative information that is more than seven years old; ten years for bankruptcies.

**Access to your file is limited.** A CRA may provide information about you only to people with a need recognized by the FCRA -- usually to consider an application with a creditor, insurer, employer, landlord, or other business.

**Your consent is required for reports that are provided to employers, or reports that contain medical information.** A CRA may not give out information about you to your employer, or prospective employer, without your written consent. A CRA may not report medical information about you to creditors, insurers, or employers without your permission.

**You may choose to exclude your name from CRA lists for unsolicited credit and insurance offers.** Creditors and insurers may use file information as the basis for sending you unsolicited offers of credit or insurance. Such offers must include a toll-free phone number for you to call if you want your name and address removed from future lists. If you call, you must be kept off the lists for two years. If you request, complete, and return the CRA form provided for this purpose, you must be taken off the lists indefinitely.

**You may seek damages from violators.** If a CRA, a user or (in some cases) a provider of CRA data, violates the FCRA, you may sue them in state or federal court.

The FCRA gives several different federal agencies authority to enforce the FCRA:

**FOR QUESTIONS OR CONCERNS REGARDING:**

**PLEASE CONTACT:**

CRA's, creditors and others not listed below

Federal Trade Commission  
Consumer Response Center - FCRA  
Washington, DC 20580  
202-326-3761

National banks, federal branches/agencies of foreign banks (word "National" or initials "N.A." appear in or after bank's name)

Office of the Comptroller of the Currency  
Compliance Management, Mail Stop 6-6  
Washington, DC 20219  
800-613-6743

Federal Reserve System member banks (except national banks, and federal branches/agencies of foreign banks)

Federal Reserve Board  
Division of Consumer & Community Affairs  
Washington, DC 20551  
202-452-3693

Savings associations and federally chartered savings banks (word "Federal" or initials "F.S.B." appear in federal institution's name)

Office of Thrift Supervision  
Consumer Programs  
Washington, DC 20552  
800-842-6929

Federal credit unions (words "Federal Credit Union" appear in institution's name)

National Credit Union Administration  
1775 Duke Street  
Alexandria, VA 22314  
703-518-6360

State-chartered banks that are not members of the Federal Reserve System

Federal Deposit Insurance Corporation  
Division of Compliance & Consumer Affairs  
Washington, DC 20429  
800-934-FDIC

Air, surface, or rail common carriers regulated by former Civil Aeronautics Board or Interstate Commerce Commission

Department of Transportation  
Office of Financial Management  
Washington, DC 20590  
202-366-1306

Activities subject to the Packers and Stockyards Act, 1921

Department of Agriculture  
Office of Deputy Administrator - GIPSA  
Washington, DC 20250  
202-720-7051

**background resources, inc.**

29 W. 110 Butterfield  
Suite # 105  
Warrenville, IL 60555  
Phone: 888-800-9044  
Fax: 888-621-9044



*Certified Female Business Enterprise*



I hereby authorize Background Resources, Inc to charge the credit card listed below for payment of fees, which are incurred by the customer account, listed below. I certify that I am authorized to sign this form and owner of credit card listed below.

Company Name \_\_\_\_\_

Customer ID BR- \_\_\_\_\_

Credit Card Type: AMEX ( )      VISA ( )      MasterCard ( )

Name on Card: \_\_\_\_\_

Billing Address for Card: \_\_\_\_\_

Credit Card Number \_\_\_\_\_

Expiration Date \_\_\_\_/\_\_\_\_      **VID Code\*\*** \_\_\_\_\_ **(REQUIRED FIELD)**

Customer Signature \_\_\_\_\_

Your completion of this authorization form helps us to protect you, our valued customers, from credit card fraud. Background Resources, Inc will keep all information entered on this form strictly confidential

**\*\* Most credit cards display the code on the back of the card, just above the signature and at the end of the regular account number.**

**For Office Use Only :**

**DATE:**

**AMOUNT:**

**APPROVAL CODE:**

# Using Consumer Reports: What Employers Need to Know

*Your advertisement for cashiers nets 100 applications. You want credit reports on each applicant. You plan to eliminate those with poor credit histories. What are your obligations?*

*You are considering a number of your long-term employees for major promotions. Can you check their credit reports to ensure that only financially responsible individuals are considered?*

*A job candidate has authorized you to obtain a credit report. The applicant has a poor credit history. Although the credit history is considered a negative factor, it's the applicant's lack of relevant experience that's more important to you. You turn down the application. What procedures must you follow?*

As an employer, you may use consumer reports when you hire new employees and when you evaluate employees for promotion, reassignment, and retention — as long as you comply with the Fair Credit Reporting Act (FCRA). Sections 604, 606, and 615 of the FCRA spell out your responsibilities when using consumer reports for employment purposes.

The FCRA is designed primarily to protect the privacy of consumer report information and to guarantee that the information supplied by consumer reporting agencies is as accurate as possible. Amendments to the FCRA — which went into effect September 30, 1997 — significantly increase the legal obligations of employers who use consumer reports. Congress expanded employer responsibilities because of concern that inaccurate or incomplete consumer reports could cause applicants to be denied jobs or cause employees to be denied promotions unjustly. The amendments ensure (1) that individuals are aware that consumer reports may be used for employment purposes and agree to such use, and (2) that individuals are notified promptly if information in a consumer report may result in a negative employment decision.

## What is a Consumer Report?

A consumer report contains information about your personal and credit characteristics, character, general reputation, and lifestyle. To be covered by the FCRA, a report must be prepared by a consumer reporting agency (CRA) — a business that assembles such reports for other businesses.

Employers often do background checks on applicants and get consumer reports during their employment. Some employers only want an applicant's or employee's credit payment records; others want driving records and criminal histories. For sensitive positions, it's not unusual for employers to order investigative consumer reports — reports that include interviews with an applicant's or employee's friends, neighbors, and associates. All of these types of reports are consumer reports if they are obtained from a CRA.

Applicants are often asked to give references. Whether verifying such references is covered by the FCRA depends on who does the verification. A reference verified by the employer is not covered by the Act; a reference verified by an employment or reference checking agency (or other CRA) is covered. Section 603(o) provides special procedures for reference checking; otherwise, checking references may constitute an investigative consumer report subject to additional FCRA requirements.

## Key Provisions of the FCRA Amendments

### ***Written Notice and Authorization.***

Before you can get a consumer report for employment purposes, you must notify the individual in writing — in a document consisting solely of this notice — that a report may be used. You also must get the person's written authorization before you ask a CRA for the report. (Special procedures apply to the trucking industry.)

### ***Adverse Action Procedures.***

If you rely on a consumer report for an "adverse action" - denying a job application, reassigning or terminating an employee, or denying a promotion — be aware that:

**Step 1: Before** you take the adverse action, you must give the individual a **pre-adverse action disclosure** that includes a copy of the individual's consumer report and a copy of "A Summary of Your Rights Under the Fair Credit Reporting Act" — a document prescribed by the Federal Trade Commission. The CRA that furnishes the individual's report will give you the summary of consumer rights.

**Step 2: After** you've taken an adverse action, you must give the individual notice — orally, in writing, or electronically — that the action has been taken in an **adverse action notice**. It must include:

- the name, address, and phone number of the CRA that supplied the report;
- a statement that the CRA that supplied the report did not make the decision to take the adverse action and cannot give specific reasons for it; and
- a notice of the individual's right to dispute the accuracy or completeness of any information the agency furnished, and his or her right to an additional free consumer report from the agency upon request within 60 days.

### ***Certifications to Consumer Reporting Agencies.***

Before giving you an individual's consumer report, the CRA will require you to certify that you are in compliance with the FCRA and that you will not misuse any information in the report in violation of federal or state equal employment opportunity laws or regulations.

In 1998, Congress amended the FCRA to provide special procedures for mail, telephone, or electronic employment applications in the trucking industry. Employers do not need to make written disclosures and obtain written permission in the case of applicants who will be subject to state or federal regulation as truckers. Finally, no pre-adverse action disclosure or Section 615(a) disclosure is required. Instead, the employer must, within three days of the decision, provide an oral, written, or electronic adverse action disclosure consisting of: (1) a statement that an adverse action has been taken based on a consumer report; (2) the name, address, and telephone number of the CRA; (3) a statement that the CRA did not make the decision; and (4) a statement that the consumer may obtain a copy of the actual report from the employer if he or she provides identification.

### **In Practice...**

- You advertise vacancies for cashiers and receive 100 applications. You want just credit reports on each applicant because you plan to eliminate those with poor credit histories. What are your obligations?

You can get credit reports — one type of consumer report — if you notify each applicant in writing that a credit report may be requested and if you receive the applicant's written consent. Before you reject an applicant based on credit report information, you must make a pre-adverse action disclosure that includes a copy of the credit report and the summary of consumer rights under the FCRA. Once you've rejected an applicant, you must provide an adverse action notice if credit report information affected your decision.

- You are considering a number of your long-term employees for a major promotion. You want to check their consumer reports to ensure that only responsible individuals are considered for the position. What are your obligations?

You cannot get consumer reports unless the employees have been notified that reports may be obtained and have given their written permission. If the employees gave you written permission in the past, you need only make sure that the employees receive or have received a "separate document" notice that reports may be obtained during the course of their employment — no more notice or permission is required. If your employees have not received notice and given you permission, you must notify the employees and get their written permission before you get their reports.

In each case where information in the report influences your decision to deny promotion, you must provide the employee with a **pre-adverse action disclosure**. The employee also must receive an **adverse action notice** once you have selected another individual for the job.

- A job applicant gives you the okay to get a consumer report. Although the credit history is poor and that's a negative factor, the applicant's lack of relevant experience carries more weight in your decision not to hire. What's your responsibility?

In any case where information in a consumer report is a factor in your decision — even if the report information is not a major consideration — you must follow the procedures mandated by the FCRA. In this case, you would be required to provide the applicant a pre-adverse action disclosure before you reject his or her application. When you formally reject the applicant, you would be required to provide an adverse action notice.

- The applicants for a sensitive financial position have authorized you to obtain credit reports. You reject one applicant, whose credit report shows a debt load that may be too high for the proposed salary, even though the report shows a good repayment history. You turn down another, whose credit report shows only one credit account, because you want someone who has shown more financial responsibility. Are you obliged to provide any notices to these applicants?

Both applicants are entitled to a pre-adverse action disclosure and an adverse action notice. If any information in the credit report influences an adverse decision, the applicant is entitled to the notices — even when the information isn't negative.

## **Non-compliance**

There are legal consequences for employers who fail to get an applicant's permission before requesting a consumer report or who fail to provide pre-adverse action disclosures and adverse action notices to unsuccessful job applicants. The FCRA allows individuals to sue employers for damages in federal court. A person who successfully sues is entitled to recover court costs and reasonable legal fees. The law also allows individuals to seek punitive damages for deliberate violations. In addition, the Federal Trade Commission, other federal agencies, and the states may sue employers for noncompliance and obtain civil penalties.

The National Small Business Ombudsman and 10 Regional Fairness Boards collect comments from small businesses about federal compliance and enforcement activities. Each year, the Ombudsman evaluates the conduct of these activities and rates each agency's responsiveness to small businesses. Small businesses can comment to the Ombudsman without fear of reprisal. To comment, call toll-free 1-888-REGFAIR (1-888-734-3247) or go to [www.sba.gov/ombudsman](http://www.sba.gov/ombudsman).

## **For More Information**

The FTC works for the consumer to prevent fraudulent, deceptive and unfair business practices in the marketplace and to provide information to help consumers spot, stop and avoid them. To file a [complaint](#) or to get [free information on consumer issues](#), visit [www.ftc.gov](http://www.ftc.gov) or call toll-free, 1-877-FTC-HELP (1-877-382-4357); TTY: 1-866-653-4261. The FTC enters Internet, telemarketing, identity theft and other fraud-related complaints into [Consumer Sentinel](#), a secure, online database available to hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.

Courtesy of [www.ftc.gov](http://www.ftc.gov)

**Background Resources, Inc.**  
**Subscriber Certificate of Use**  
**Drug Testing Addendum to Contract Services**

Drug Testing Obligations: If drug testing is requested to be included in the screening report with respect to any applicant, subscriber agrees that it:

- a. Shall comply with all Federal, State and Local Laws, including the F.C.R.A., D.O.T., H.I.P.A.A. and other applicable laws, with respect to the request for drug screening services provided by Background Resources, Inc. ("B.R.I.") and/or its vendors and the use of the results of such drug screening;
- b. Shall provide applicant with chain of custody form and directions to an authorized collection site;
- c. Enter all requests for drug screening into the B.R.I. system prior to specimen collection

Medical Review Officer ("MRO"): MRO is provided by our drug testing services, the subscriber agrees to the following:

- a. The MRO will be responsible for (i) donor identification; (ii) Chain of Custody (COC) form completion and documentation; (iii) signature requirements; (iv) test result analysis of positive results; (v) resolution of correctable flaws on COC forms (vi) donor contact to verify positive, cancelled, substituted, adulterated an unacceptable results; (vii) determination of alternative explanations for positive, cancelled, substituted, adulterated and unacceptable results; (ix) modification or verification of results based on applicant contact (x) report positive findings to subscriber through B.R.I. and; (xi) maintenance of drug test reports pursuant to applicable Federal and State laws and regulations.
- b. Subscriber agrees to pay for all B.R.I. testing products and services provided under the Subscriber Agreement including fees for (i) third party collection sites (ii) out of network facilities; (ii) emergency services; (iii) one to one set ups; (iv) unclaimed drug tests; (v) requests open but not performed; (vi) shipping fees and/or (vii) fees for changing network clinics and (viii) other related fees.
- c. Definitions for additional fees:
  - (i) Third party collection sites – Sites outside of the primary Laboratory network of Patient Service Centers. Third party collection sites are matched to a customer site match based on a specific mileage radius.
  - (ii) Out of network facilities – Facilities that are not associated with either the primary network of the Laboratory or the third party vendor network of collection facilities provided in the site match.
  - (ii) Emergency services – Drug and/or alcohol tests performed (i) after an incident or accident, or (ii) tests conducted for reasonable suspicion.
  - (iii) One to one set ups – Provided by the third party network vendor in the case where there is no primary Laboratory Patient Services Center ("PSC") or third party collection site matched within the customers requested radius.
  - (iv) Unclaimed drug tests – A drug test result received by B.R.I. for which the customer has not opened a request in the B.R.I. system into which the result can be posted so that the customer has access to it.
  - (v) Requests open but not performed – Request that is opened in the B.R.I. system for which there is no evidence, paperwork or result received indicating that the test was taken or specimen provided.
  - (vi) Shipping Fees – Fees for shipping, mailing or transporting the specimen from one state or country to another.

Subscriber shall indemnify, defend and hold B.R.I. harmless from and against any and all claims, demands, costs, expenses and liabilities of any kind or nature whatsoever, including, without limitation, reasonable attorneys' fees and costs, which may be incurred by B.R.I. based upon the illegal or wrongful use by subscriber of the drug testing services and products, the negligence or intentional wrongdoing by Subscriber in connection with the use of the drug testing services and products, or Subscriber's failure to comply with its obligations under S.A.M.S.H.A., D.O.T. or other applicable laws in connection with the procurement or use of the drug testing services and products.

WARRANTY: SUBSCRIBER ACKNOWLEDGES THAT THE ONLY WARRANTY PROVIDED FOR THE DRUG TESTING PRODUCTS ARE THOSE PROVIDED BY THE MANUFACTURER AND THAT THE PRODUCTS ARE PROVIDED "AS IS." NO WARRANTIES ARE MADE BY BACKGROUND RESOURCES, INC. WITH RESPECT TO SUCH PRODUCTS. B.R.I. SHALL USE ITS BEST EFFORTS TO PROVIDE HIGH QUALITY, TIMELY AND ACCURATE INFORMATION TO SUBSCRIBER, HOWEVER SUBSCRIBER RECOGNIZES THAT B.R.I. CANNOT GUARANTEE THE ACCURACY OF THE INFORMATION PROVIDED BECAUSE SUCH INFORMATION IS OBTAINED FROM THIRD PARTY SOURCES THAT MAY NOT ALWAYS BE ACCURATE OR CURRENT.

Client has read and understood the agreements in the Main Service Agreement, in this addendum, and other addendum's that apply. Client hereby certifies that the information provided is true and correct, and agrees to accept full responsibility for its employees and endusers to follow these agreements & guidelines herein from B.R.I. and in cooperation with the F.C.R.A., D.P.P.A., A.D.A., D.O.T., H.I.P.A.A. and F.H.A and other applicable laws with respect to approved permissible purpose.

Your Company Name: \_\_\_\_\_ Dated: \_\_\_\_\_

Client Authorized Signature: \_\_\_\_\_ Client Title: \_\_\_\_\_