

# Navigating the PRE-ADVERSE & ADVERSE ACTIONS PROCESS

## What is an Adverse Action?



An Adverse Action is a denial of employment or other negative action impacting the employment status of any current or prospective employee based upon the results of a consumer background screen. Adverse Action may apply to initial employment, denial of promotion, demotion, or termination of current employment. Per the Fair Credit Reporting Act (FCRA), end users of consumer reports (e.g., employers) who plan to take adverse action based on the contents of a consumer report must provide both written notice of the contents of the screening report along with an opportunity to dispute potentially erroneous information (pre-adverse action) and written notification of final action taken (adverse action).

## The Adverse Action Process

### Step 1: Pre-Adverse Action Notice

Prior to taking adverse action, an employer must provide the consumer with:

- A copy of their consumer report
- A summary of the consumer's rights under the FCRA

### Step 2: Waiting Period

Before taking adverse action, an employer must wait a reasonable period of time to allow the consumer time to dispute the accuracy of the consumer report.

- Industry standard is 5 business days

### Step 3: Adverse Action Notice

Employer must provide the following to the consumer when it has taken adverse action:

- Notice of the adverse action (i.e. not eligible for hire or denial of promotion) due to information in the consumer report
- The contact information for the consumer reporting agency that prepared the report
- A copy of the Summary of Rights under the FCRA

Please note: The above infographic describes an employer's obligations under the Federal Fair Credit Reporting Act. AccuSourceHR™ Workforce Solutions recommends discussing any additional state and local law obligations with your legal counsel to ensure compliance with all applicable laws and regulations.

# AccuSourceHR™

AccuSourceHR™ Workforce Solutions is a full-service employment screening organization headquartered in Phoenix, Arizona. Recognized as a 20-year plus award-winning screening industry veteran, we are committed to continuously promoting a balance between affording innovative technology and providing comprehensive, consistent, US-based client care. This objective is reinforced by the belief every client is unique and deserves a customized program of quality background and drug screening solutions to meet their specific organizational goals. Our team includes government and tenured subject-matter experts in key highly regulated industries including education and government. As a PBSA-accredited provider, AccuSourceHR™ strives to ensure every client has access to robust compliance resources and views us as an extension of their organization's human resources, security, and risk mitigation teams.

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