

RHR Information Services, Inc.

SelectSmart News

Happy New Year!! From everyone at RHR Information Services, Inc. we sincerely wish you a safe, healthy and prosperous 2005!

Special points of interest:

- Professional Associations
- New Products and Expanded Services
- SelectSmart Personnel
- In the News!
- Legislative Issues
- Legal Issues

Here at RHR, we take pride in our involvement in local trade-specific associations that benefit local businesses and the community. We are continuing our membership with both the Minnesota Multi-Housing Association (MHA) and the Minnesota Manufacturing Housing Association (MMHA). This year RHR has expanded our involvement to include three new organizations:

National Association of Professional Background Screeners:

(NAPBS) The organization exists to promote ethical business practices, promote compliance (with the FCRA) and foster awareness of issues related to consumer protection and privacy rights within the

background screening industry.

The Association provides relevant programs and training aimed at empowering members to better serve clients and to maintain standards of excellence in the background screening industry.

NAPBS is active in public affairs and provides a unified voice on behalf of members to local, state and national lawmakers about issues impacting the background screening industry.

TwinWest Chamber of Commerce:

TwinWest is an advocate for business to promote the free enterprise system, improve the business environment and build a

better community.

National Apartment Association:

(NAA) The NAA is America's leading advocate for quality rental housing. Its mission is to serve the interests of multifamily owners, managers, developers and suppliers and to maintain a high level of professionalism in the multifamily industry to better serve the rental housing needs of the public.



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New Products

RHR is pleased to announce that we now offer **International Criminal Searches** in addition to our local and nationwide product offerings.

In the past RHR has not pursued this product line due to significant

cost and time factors. However, with the ever increasing number of newly immigrated applicants, an international criminal search may be a product you should consider. While the cost can vary widely and the turnaround is slower, we can now obtain Felony equivalent

convictions from all over the world.

For complete fee and coverage area information please contact your RHR SelectSmart representative.

Legislative News: FACT Act

The Fair and Accurate Credit Transactions Act of 2003 (FACTA) includes a requirement that all “nationwide consumer reporting agencies” (NCRA’s) and “nationwide specialty consumer reporting agencies” (NSCRA’s) provide, upon request from the consumer, one free file disclosure to that consumer every 12 months. The Act also includes language requiring the reporting agency to

directly handle disputes about credit information rather than forwarding the consumer to the National Credit Bureau that provided the information. On June 24, 2004 the Federal Trade Commission issued final regulations implementing this requirement.

One important issue that neither the law nor the corresponding regulations address is how companies determine if they are large enough to be classified as a

“nationwide” reporting agency. Although RHR would most likely be considered a “regional” reporting agency, and subsequently not required to comply with these requirements, we are gearing up for it anyway.

This new legislation will have no direct bearing on our clients, but may allow any applicant that you had to take adverse action upon to receive faster service in

reviewing, possibly disputing and finally, resolving the entire contents of the background report that you were provided.

If you have any questions on the FACT Act or FACTA, please don’t hesitate to contact your RHR SelectSmart Representative.

RHR Personnel Additions

2004 was a good year for RHR and SelectSmart! Thank you for your continued business. To better serve you, our SelectSmart team has grown!

Melissa has been with RHR Information Services, Inc for over 2 years now. Now, she will be taking all customer service questions for all of RHR, including SelectSmart. If you have

any questions regarding reports feel free to contact her at 952-259-3003 or 888-389-4023 ext 103.

You may have already met our new General Manager, Rick Hansen. Moving back to Minnesota from Kansas, Rick is a welcome addition to our team. Should you need to speak with Rick, he can be reached at 952-

259-3019 or 888-389-4023 ext 119.

We also had the pleasure of adding Donna Ploof to our Sales team. Donna comes to us from Georgia Pacific with 20 years of sales experience. After just 3 short months she can answer any of your sales questions. Contact Donna at 952-259-3018 or 888-389-4023 ext 118.

You may have already met our new General Manager, Rick Hansen.

Expanded Services: Sexual Offender Registry

Our instant Sexual Offender Registry product now covers 49 states* (Rhode Island not available). For a nominal fee you can check if your applicant has a sexual offender record in 49 states, **instantly**.

Contact your RHR SelectSmart

representative for more information.

* Individual counties reporting in California, Missouri and South Dakota.

SelectSmartSM

Legal Issues: What the FCRA requires

The FCRA requires employers that obtain consumer reports to do three things:

#1. Before asking a CRA for a report, employers must provide applicants or employees with clear, written notice that the report will be commissioned.

This notice must be in a separate document; it cannot be incorporated into an employment application.

#2. Employers must receive written authorization from the applicant or employee before they ask the CRA for the report.

#3. Prior to requesting the first report from a CRA, employers must certify to the CRA that they will comply with the FCRA and all other applicable equal employment opportunity laws and regulations.

There are also some requirements an employer must follow when taking adverse action. For more on that read our story on Adverse Action: What an Employer Should Know on page 3.



Adverse Action: What an Employer Should Know

Before taking any adverse action based in whole or in part on the report from a CRA, employers must give applicants or employees a copy of the report and a summary of their rights under the FCRA. Then, the employer must wait approximately five days (the proper amount of time

must be judged on a case-by-case basis) before actually taking the adverse action. The FTC has opined that this waiting period is designed to allow the applicant or employee to come forward with information for the employer to consider before taking adverse action.

After deciding to take adverse action, the employer must provide the applicant or employee with the following 5 things:

#1. Notice of adverse action being taken.

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An employer is obligated by law to provide 5 things to an applicant when taking adverse action.

In the News!!

A federal district court in Missouri dismissed a background check service provider as a defendant in a lawsuit brought by an individual who alleged he was denied employment due to an erroneous credit report. The NAPBS member was shown to

be NOT liable under the FCRA for electronically conveying a credit report with an error to an employer. The court held that since the defendant did not alter the report it was only a reseller of credit information and dismissed the service provider from

the case entirely.

To see more about the employers responsibility read our What an Employer Should Know story or Legal Issues: What the FCRA Requires on page 3.



The right path to the right people.

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The right path to the right people.



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#2. The name, address and toll-free number of the CRA that furnished the consumer report.

#3. A statement that the CRA did not make the decision to take the adverse action and is unable to provide the consumer report.

#4. Notice of the consumer's right to obtain a free copy of the consumer report from the CRA within 60 days.

#5. Notice of the consumer's right to dispute the accuracy or completeness of any information in the consumer report furnished by the

CRA.

If you have any questions regarding your responsibilities or policies regarding adverse action please contact your RHR SelectSmart representative.

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