



February 18, 2009

Senator Edith G. Prague, Co-Chair
Representative Kevin Ryan, Co-Chair
Labor and Public Employees Committee
Room 3800, Legislative Office Building
Hartford, CT 06106

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Re: CT H. 5521

Dear Joint Committee Co-Chairs,

I am writing in opposition to your House Bill 5521, which, if enacted, would effectively prohibit employers from utilizing credit history in hiring prospective employees.

We are a member of the National Association of Professional Background Screeners (NAPBS), which represents over 600 members and their respective companies. Our company is a national provider of background check and credential verification information for employers. Our clients are representative of the more than 88% of companies in the US who perform background checks on their employees across the country. Our information products protect employers from liability and ensure that newly hired employees pose no financial risk.

Credit reports are integral to the hiring process because employers must determine the accuracy and completeness of a job application. Credit reports are used for employment checks to show former addresses, former employment, and the financial situation of a prospective employee. By using credit reports in the hiring process, employers avoid wasting resources on recruiting, hiring, and training new employees, only to find out later that the hiring decision was based on incomplete or falsified information. Also, employers use credit reports to safeguard against internal theft that can be a result of employees who cannot meet their monthly financial obligations.

The use of credit reports for employment decisions is governed and expressly allowed by the federal Fair Credit Reporting Act (FCRA). Under the FCRA, an employer must give the consumer notice that a credit report may be used in the hiring process and require the consumer's written consent to access their credit report. The FCRA provides important consumer protections by requiring a notice by the employer if an adverse action is taken; i.e. the applicant is not hired. The notice includes the name, address, and phone number of the consumer reporting agency or credit reporting agency that supplied the report.

Furthermore, without this important screening tool, many Connecticut employers may elect to outsource certain employee work force in another state, or simply not hire at all.

It is our hope that Connecticut employers will be allowed the continued use of credit reports for hiring decisions. If you have any questions concerning how credit reports are used by employers to make decisions, please feel free to contact me. Thank you for your time and consideration of our views.

Sincerely,

Paige Arrington
Vice President of Sales & Marketing

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