

DISCLAIMER: This Notice – Background Investigation document is intended for instructional purposes only and is not intended as legal advice. We recommend you consult with an attorney to review this document and the corresponding state notices to ensure your compliance with the applicable state laws related to background screening and consumer notices and disclosures.

**NOTICE – BACKGROUND INVESTIGATION AND
USE OF CREDIT INFORMATION**

CALIFORNIA RESIDENTS

California Residents or Employees – this summary of the provisions of California Civil Code section 1785.20.5 is being provided to you pursuant to state law.

Prior to requesting a consumer credit report for employment purposes, the user of the report shall provide written notice to the person involved. The notice shall inform the person that a report will be used, and shall identify the specific basis under subdivision (a) of Section 1024.5 of California's Labor Code for use of the report. The notice shall also inform the person of the source of the report, and shall contain a box that the person may check off to receive a copy of the credit report. If the consumer indicates that he or she wishes to receive a copy of the report, the user shall request that a copy be provided to the person when the user requests its copy from the credit reporting agency. The report to the user and to the subject person shall be provided contemporaneously and at no charge to the subject person.

California Labor Code section 1024.5 is provided below:

1024.5. (a) An employer or prospective employer shall not use a consumer credit report for employment purposes unless the position of the person for whom the report is sought is any of the following:

- (1) A managerial position.
- (2) A position in the state Department of Justice.
- (3) That of a sworn peace officer or other law enforcement position.
- (4) A position for which the information contained in the report is required by law to be disclosed or obtained.
- (5) A position that involves regular access, for any purpose other than the routine solicitation and processing of credit card applications in a retail establishment, to all of the following types of information of any one person:
 - (A) Bank or credit card account information.

(B) Social security number.

(C) Date of birth.

(6) A position in which the person is, or would be, any of the following:

(A) A named signatory on the bank or credit card account of the employer.

(B) Authorized to transfer money on behalf of the employer.

(C) Authorized to enter into financial contracts on behalf of the employer.

(7) A position that involves access to confidential or proprietary information, including a formula, pattern, compilation, program, device, method, technique, process or trade secret that (i) derives independent economic value, actual or potential, from not being generally known to, and not being readily ascertainable by proper means by, other persons who may obtain economic value from the disclosure or use of the information, and (ii) is the subject of an effort that is reasonable under the circumstances to maintain secrecy of the information.

(8) A position that involves regular access to cash totaling ten thousand dollars (\$10,000) or more of the employer, a customer, or client, during the workday.

(b) This section does not apply to a person or business subject to Sections 6801 to 6809, inclusive, of Title 15 of the United States Code and state and federal statutes or regulations implementing those sections if the person or business is subject to compliance oversight by a state or federal regulatory agency with respect to those laws.

(c) The following definitions apply to this section:

(1) "Consumer credit report" has the same meaning as defined in subdivision (c) of Section 1785.3 of the Civil Code, but does not include a report that (A) verifies income or employment, and (B) does not include credit-related information, such as credit history, credit score, or credit record.

(2) "Managerial position" means an employee covered by the executive exemption set forth in subparagraph (1) of paragraph (A) of Section 1 of Wage Order 4 of the Industrial Welfare Commission (8 Cal. Code Regs. 11040).