

MEMORANDUM

TO: SOUTHERN COMPANY CONTRACTORS
RE: UPDATES TO THE PRE-ADVERSE ACTION PROCESS
FROM: Global HR Research
DATE: OCTOBER 22, 2019

Employers are required by the federal Fair Credit Reporting Act (or the “FCRA”) to engage in a pre-adverse action process prior to making an adverse employment decision based on a background check report supplied by GHRR. For example, if GHRR supplies a background check report on one of your workers, and that worker was convicted of a crime that prevents him from accessing Southern Company’s premises, and if this inability to access Southern Company’s premises will adversely impact the worker’s employment with you, you are required to provide pre-adverse action notice to the worker before taking adverse employment action against him. Pre-adverse action notice consists of providing a copy of the background check report to the worker, along with a copy of [A Summary Of Your Rights](#), and allowing the worker at least five business days to respond to the report before you take the adverse employment action.

WE ARE PLEASED TO ANNOUNCE THAT GHRR WILL NOW INITIATE THE PRE-ADVERSE ACTION PROCESS FOR YOU WHEN IT APPEARS THAT YOUR WORKER MAY BE NON-COMPLIANT UNDER THE SOUTHERN COMPANY ADJUDICATION MATRIX. THIS SERVICE WILL BE PROVIDED ELECTRONICALLY (BY EMAIL) FOR EVEN GREATER CONVENIENCE. HERE IS HOW THE PROCEDURE WILL WORK:

- (1) Attached to this memo is an updated consent form. By using this consent form, you will be securing the agreement of your worker to receive adverse action notices electronically. Please use this form going forward. Contractors that use GHRR’s SwiftHire program to order reports do not need to use these paper forms.
- (2) After completing the background check report, GHRR will grade the report in accordance with criteria supplied by Southern Company.
- (3) If the graded report indicates your worker is potentially Non-Compliant due to a previous conviction, or for some other disqualifying reason, GHRR will email a pre-adverse action notice to the worker. The notice will be in your name, and it will include your contact information and ours. If the worker claims there is an inaccuracy in our report, he should contact our Disputes Department at disputes@ghrr.com. If the report is accurate, but your worker wants to know why he is Non-Compliant, he will need to talk to you, and you can discuss the matter with your Southern Company Program Manager. (GHRR plays no role in deciding what criteria makes a worker Non-Compliant.)



- (4) If you did not provide us with your worker's email address, we will email the pre- adverse action notice to you, and you will need to be sure to provide this notice to your worker. AS THE EMPLOYER OF RECORD, IT IS YOUR OBLIGATION UNDER FEDERAL LAW TO ENSURE THIS PRE-AD VERSE ACTION NOTICE IS PROVIDED TO YOUR WORKER.
- (5) If your worker disputes the accuracy of the background check report, GHRR will resolve the dispute before notifying Southern Company of his final status, e.g., Compliant or Non- Compliant.
- (6) If, after five business days, your worker has not disputed the accuracy of the background check report, GHRR will notify Southern Company of his final status, i.e., Non- Compliant. GHRR will also email you and ask you if you would like GHRR to email an Adverse Action Notice to your worker. If you did not take an adverse employment action against the worker, even though he was ultimately classified as Non-Compliant, then you may not need to supply an Adverse Action Notice. (Please consult with your employment law legal counsel on this question.) If you did take adverse action, such as terminating his employment or refusing to hire him, then you will need to provide the Adverse Action Notice.
- (7) If you would like GHRR to email an Adverse Action Notice, you can reply to our email and indicate that, yes, you would like for us to send the notice to your worker. We will then email that notice. Again, if you did not supply us with your worker's email address, we will email the notice to you, and you will need to ensure it is provided to your worker.

A NOTE OF CAUTION: Please do not take adverse action against your worker merely because a pre- adverse action letter has been issued. Instead, allow the worker to review his report and identify any potential inaccuracies.

Please do not hesitate to contact GHRR if you have any questions about this process. You may call us at 866.859.0143 or email us at southemco@ghrr.com.

****If you do not wish us to transmit pre-adverse action letters on your behalf, please email us at southemco@ghrr.com and let us know.**