



SEARCH – 2023 Winter Meeting Public & Private Background Verification: Enhancing Collaboration to Meet Shared Challenges

Eric J. Ellman
Executive Vice President
eellman@cdiaonline.org - 202.408.7407

Jay Harris, Esq.
Outside Counsel
jharris@harrisca.com – 703.887.7148



Consumer Data Industry Association

- Founded in 1906, CDIA promotes the responsible use of consumer data to help consumers achieve their financial goals, and to help businesses, governments and volunteer organizations avoid fraud and manage risk.
- Public records members are Consumer Reporting Agencies (CRAs), data aggregators, researchers, and integration providers involved in Background Verification.
- Background Verification involves:
 - public records (federal/state/local court, corrections, law enforcement, sex offender criminal history; driver; juvenile; civil litigation; landlord-tenant; estate), and
 - private records (credit, address pointer, social media, education, licensure/complaints, medical testing telecom/utility/rental)
- cdiaonline.org



Background Verification Providers: Meeting User Needs At Scale

- One CDIA-member background verification firm annually conducts 93 m screens for 33,000 customers across 200+ countries using 850 data sources delivered into 75+ user screening integrations
 - Others are larger
 - Cf. SEARCH members conducted 20.3 m CJ/NCJ fingerprint and 14.6 m NCJ name checks in 2020. (SEARCH Biennial Survey, Tables 1a, 13)
- Example: VINE victim notification program – Private aggregation/matching of data for public good



Background Verification: Public Records Uses by CDIA Members – Purposes and Benefits

- Employee/Tenant/Volunteer/Driver/Student Screening, Prof. Licensure, Identity Verification/Monitoring – Community Safety
- Victim Notification (VINE), LE/Agency Investigation – Public Safety
- Anti-Fraud/ID Verification/Marketing – Consumer Identification
- Program Eligibility, Child Support – Government Agency
- Research – Public Interest

- Name Check and Fingerprint Capture/Channeling, Facial Recognition



Background Verification: Process Specifications

To meet user needs, CDIA members have created widely-used public/private records tools unavailable elsewhere that are:

- Highly regulated
 - FCRA/DPPA/State Law, Source Access Rules, Source Agreements & Audit
- Accurate multi-source checks - e.g., 99.99% Accuracy (Auto. Court Data)
- At scale
- With prompt turnaround times (TaTs) – e.g., 60%/15 mins, 70%/1 hr, 90%/1 day
- Integrated into user InfoSys, process flows
- Actionable for user decisioning



Regulatory Principles – Use of Public Records under the Fair Credit Reporting Act

- Consumer Privacy
 - Limits on Permissible Purpose
 - Consent and Non-Consent
 - User Eligibility Criteria
 - Obsolescence
- Report Transparency/Accuracy
 - Right to Know – Adverse Action Notice
 - Duty to Match, Update
 - Right to Dispute/Correct
- Liability Scheme



What do Stakeholders in the Background Verification system want?

- Private Users want accurate, usable, and comprehensive records with prompt TaTs
 - Users want roles filled – improving slow TaTs makes that jurisdiction’s applicants faster-to-hire
- Agency Users want public benefits from public-private partnerships
 - Agencies use victim notification, investigation leads, LPR, agency fraud/eligibility
- Consumers want accurate reports, fast clears, and prompt dispute/appeal responses
 - Strong expectations for accuracy, update TaT (Technology, Regulatory: CFPB Name-Match AO (Nov. 2021))
 - Source records becoming more dynamic (e.g., Clean Slate, Pardons, Civil Record Sealing, Daniel’s Law)
- Public records sources (e.g., courts, law enforcement) want manageable demands on IT systems/personnel, accurate reports with data security and privacy compliance, for revenue
 - CRAs, source researchers maintain globally robust data safeguards and accuracy Q/A
 - User fees paid by CDIA members drive significant revenue to public records sources



What do CDIA members want SEARCH members to know?

1. Wider researcher/CRA **access to personal, case/charge source record identifiers** at scale is needed to meet accuracy, TaT targets

- Privacy concerns have courts limiting public access to PII
- Personal, Case/Charge identifiers are key to matching - CFPB Adv. Op. (Nov. 10, 2021) prohibits name-only matching in consumer reports
- Wider private access to courts' and repositories' Address, PCN/TCN/SID, Case/Charge Identifiers can aid Verification matching, TaT
- Limits on Use: More-than-public – “attorney-like” - access to identifiers, updates under user agreement



What do CDIA members want SEARCH members to know?

2. Access to personal, case/charge identifiers in updates keys accurate **Clean Slate** implementation

- Date-stamped record updates to researcher/CRA users helps maintain current record file
- Standardized frequent statewide record updates preferred to non-standard local court updates
- Structured expungement/sealing file updates preferred to unstructured files



What do CDIA members want SEARCH members to know?

3. User growth, consumer expectations for Verification demand public record sources that can **scale**

- Automated remote access (with appropriate safeguards) generally preferred to PAT or manual clerk access.
- Source access IT “upgrades” and legacy policies that push more verification to manual process (e.g., clerks) are missed opportunities for the source, CRA, and user alike
- NCHIP awards for CHR system improvement benefit all consumers, users - where public access is improved



Where might CDIA and SEARCH and their members collaborate to meet shared challenges?

- Technology Design: Improving Private Sector Remote Access to Identifiers, Updates at Scale
 - Design in-flight CHRI public access system updates (e.g., Clean Slate, Daniel's Law, marijuana pardons) to include updates to public user data sets
 - Design for remote access with sufficient PII identifiers at scale
 - Engage CDIA member users in system design, pre-release testing
 - Wider use by CDIA member users of repositories' CHR case/charge identifiers?
- Technology Funding
 - Include CHRI public user access improvements in NCHIP, etc. applications?
 - Use federal CHRI programs to improve access to personal, case/charge identifiers at scale in slow-TaT, manual-intensive court/CHRI systems



Where might CDIA and SEARCH and their members collaborate to meet shared challenges?

- Repository Operations
 - Private sector crim/pointer data, systems, research to improve repositories' disposition matching (real time, backlogs)
 - Use TaT, accuracy in QA/performance metrics
 - Staff Training on Appropriate Use of Social Media in Investigations
- Policy and Planning
 - Coordinate on messaging established LE uses of commercial investigative products to policymakers
 - Develop collaboration plan to address identified challenges