

# Mass Workforce Issuance

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**Workforce Issuance No. 14-100**

☐ Policy ☒ Information

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**To:** Chief Elected Officials  
Workforce Investment Board Chairs  
Workforce Investment Board Directors  
Title I Administrators  
Career Center Directors  
Title I Fiscal Officers  
DCS Operations Managers

**cc:** WIA State Partners

**From:** Alice Sweeney, Director  
Department of Career Services

**Date:** December 1, 2014

**Subject:** Update on Complying with Nondiscrimination Provisions

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**Purpose:** To notify Local Workforce Investment Boards, One-Stop Career Center Operators and other local workforce investment partners of Training and Employment Guidance Letter [\(TEGL\) 11-14](#), dated October 17, 2014 to provide information to the public workforce system and other entities that receive federal financial assistance to operate job banks, about the use of credit information to exclude, screen, or select applicants for employment and to provide tools to educate employers about the practical and legal drawbacks of this employment practice. This guidance is being issued by the [Employment and Training Administration](#) (ETA), in conjunction with the [Civil Rights Center](#) (CRC).

**Background:** This TEGL addresses the practice of considering job applicants' credit information and excluding job seekers with negative credit information from consideration for job vacancies. According to a 2012 survey by the [Society for Human Resource Management](#) (SHRM), almost 50% of its employer members use credit checks in making hiring decisions. Employers report that they use credit information to evaluate an applicant's proclivity for theft or embezzlement, and to reduce potential legal liability for negligent hiring.

This TEGL provides entities in the public workforce system, and their employer customers, with tools to ensure that exclusionary policies regarding workers' credit information are not at cross-purposes with the system's efforts to promote

employment opportunities for all workers. It also provides guidance on compliance with nondiscrimination obligations when credit information is used in making employment decisions. This TEGL applies to all jobs available through a covered entity's job bank.

Covered entities must provide the attached Notices to Employers (Attachments A and B), which describe the drawbacks of using credit information in any part of the hiring process, and encourages employers to adopt best practices for such screening. At a minimum, covered entities must advise employers, through use of the Notices to Employers, about some of the reasons why screening job seekers based on credit history may be imprudent. They should also advise employers about best practices to avoid or minimize improper decisions based on an applicant's credit information

Covered entities should conduct their activities using safeguards to prevent discrimination against individuals in protected groups based on their credit information. Using negative credit information to disqualify applicants from hiring consideration may amount to unlawful discrimination under federal civil rights laws. Covered entities also should familiarize themselves with the [Fair Credit Reporting Act](#) (FCRA) and any state or local laws that impose conditions on the use of credit information to screen and select applicants for employment or to make other employment decisions. The information contained in this TEGL does not supersede those laws.

**Action**

**Required:** Covered entities and their program operators are directed to review their existing policies and procedures and make any changes necessary to implement the guidance provided in this TEGL. They are also encouraged to consult [TEN 12-14: Promising Practices and Resources for Addressing Long-Term Unemployment](#), which contains best practices for overcoming barriers to employment for the long-term unemployed.

**Inquiries:** Questions about civil rights issues in the public workforce system should be addressed to the Civil rights Center by phone at 202-693-6500 or [CivilRightsCenter@dol.gov](mailto:CivilRightsCenter@dol.gov).

**Attachments: A:** Notice to Employers Regarding Job Bank Nondiscrimination and Hiring Restrictions Based on Credit Information

**B:** Notice to Employers Regarding Job Posting Containing Hiring Restrictions Based on Credit Information

**C:** Notice to Job Seekers to be Attached to Job Postings with Hiring Restrictions Based on Credit Information