



**“QUALITY AT A DISCOUNT”**

**Section:** 105

**Effective Date:** 12/2/2013

**Revision Date/##** \_\_\_\_\_

**Criminal Background Checks**

**105.1 POLICY STATEMENT**

Criminal background studies provide valuable information to L&M Supply. The information obtained in a criminal background study will be considered while making employment related decisions, to include pre-employment hiring decisions and employee disciplinary decisions. Our use of Criminal background studies will help to support the goal of employing only the best qualified individuals to work for our company and will help to maintain a work environment that is safe and protects all L&M Supply customers and employees as well as company assets and resources. It is the policy of L&M Supply that any adverse employment decision will be made strictly based on verified criminal convictions only.

**105.2 Confidentiality**

L&M Supply takes seriously the confidential nature of the information contained in criminal background reports. As such, the specific criminal convictions that disqualify a candidate from employment with L&M Supply or result in the termination of an employee will not be disclosed to anyone other than Human Resources or Senior Management. No information, or company records containing criminal background information, will be maintained at any company location other than the Human Resources department. Managers, other than senior management, may occasionally become aware of criminal convictions of L&M Supply employees. In these instances, they shall not discuss the information with anyone other than Human Resources or a member of Senior Management.

**105.3 PROCESS AND PROCEDURE**

The use of criminal background studies will be in strict accordance to all applicable state and federal regulations and will be conducted by a reputable 3<sup>rd</sup> party Consumer Reporting Agency that specializes in providing criminal background study information. Criminal background studies will be conducted only as a pre-employment requirement or when circumstances exist where L&M Supply reasonably believes that an existing employee has a criminal conviction that is job related and such conviction occurred since commencing employment with L&M Supply.

If an applicant to whom a conditional offer of employment has been extended, or a current employee, is under the age of 18, parental/guardian permission must be obtained prior to a background check being conducted.

**A. Pre-Employment Background Check**

After a conditional offer of employment has been accepted, a pre-employment criminal background check will be conducted.

1. Human Resources will be notified when a contingent job offer has been accepted and will be provided with a completed **New Employee Information form:**
2. Candidate will be provided with a **pre-employment requirements document** with information about submitting the criminal background check.
3. Human Resources will email the candidate a secure and individualized link that will be used by the candidate to initiate the background check directly at the Consumer Reporting Agency website. This will include a consent and authorization form and will also provide access to the consumer's rights

under the Fair Credit Reporting Act (FCRA). In the event a candidate does not have access to initiate the background check online, Human Resources will obtain a completed paper copy of the consent and authorization form and will ensure that a background check is properly ordered.

4. The Human Resources Department will be responsible for ensuring the background check has been properly submitted to the Consumer Reporting Agency.
5. All completed background check reports will be received by Human Resources for review.
6. When a candidate has successfully completed all pre-employment requirements (drug test, background check, etc.) Human Resources will notify the appropriate manager so that the candidate's first day of employment can be arranged.
7. If a candidate fails to successfully complete one or more of the pre-employment requirements, Human Resources will notify the appropriate manager.
8. If the reason under number 7 above is based on the results contained in the criminal background report then Human Resources will follow the **adverse action** steps outlined below in notifying the applicant that they have not successfully completed the pre-employment requirements.
9. No applicant may start work without a completed criminal background study. A candidate who refuses to consent and authorize a criminal background study will be considered to have voluntarily withdrawn from consideration.

**B. Individualized Assessment – Pre-Employment**

When a final pre-employment report contains criminal convictions Human Resources will conduct a thorough review of the information and an individualized assessment will be made to determine what action, if any, is appropriate based on the information available. The individualized assessment will include the following analysis:

- **The nature and gravity of the conviction** – In evaluating the nature and gravity of the conviction L&M Supply will consider the **harm caused** as a result of the criminal activity as well as the severity or seriousness of the conviction.
- **The amount of time passed since the conviction and the completion of any sentencing related to the conviction** – L&M Supply typically will only consider criminal convictions that have occurred in the most recent 7 year period of time. Where circumstances exist where an especially heinous, violent, and/or serious conviction has occurred beyond the 7 year period, L&M Supply may evaluate such circumstances in conducting its individualized assessment.
- **The nature of the job held or sought** – L&M Supply will evaluate the job duties, essential functions, level of supervision, typical employee and customer interactions, and the work setting of the job held or sought and how these factors are related to the reported criminal activity to determine if the conviction is job related and if an adverse employment decision is consistent with business necessity.

**C. Current Employee Background Check**

L&M Supply reserves the right to have criminal background studies conducted on current employees. In the event that L&M Supply reasonably believes that circumstances exist that an existing employee has a criminal conviction that is job related and such conviction occurred since commencement of employment with L&M Supply, Human Resources will conduct an investigation, which may include a criminal background study, to verify if a criminal conviction did in fact occur.

1. Human Resources will be responsible for gathering all information to determine if there is reasonable evidence to suggest a job related criminal conviction has occurred.
2. If reasonable evidence exists Human Resources or the appropriate manager will notify the employee of the need to conduct a background check and will provide the employee with information needed to initiate the background check directly at the Consumer Reporting Agency website. The employee must immediately initiate and authorize the criminal background check by utilizing a computer that allows for the most privacy while at work.
3. If the criminal background study reports a criminal conviction Human Resources will follow the **adverse action** steps outlined below in notifying the employee of the conviction.
4. An employee who refuses to consent to a criminal background study when requested to do so in accordance to this policy will be terminated and such termination will be considered a voluntary quit by the employee.

**D. Individualized Assessment –Current Employee**

When a final report on a current employee contains criminal convictions Human Resources will conduct a thorough review of the information and an individualized assessment will be made to determine what action, if

any, is appropriate based on the information available. The individualized assessment will include the following analysis:

- **The nature and gravity of the conviction** – In evaluating the nature and gravity of the conviction L&M Supply will consider the **harm caused** as a result of the criminal activity as well as the severity or seriousness of the conviction.
- **The amount of time passed since the conviction and the completion of any sentencing related to the conviction** – L&M Supply typically will only consider criminal convictions that have occurred in the most recent 7 year period of time. Where circumstances exist where an especially heinous, violent, and/or serious conviction has occurred beyond the 7 year period, L&M Supply may evaluate such circumstances in conducting its individualized assessment.
- **The nature of the job held or sought** – L&M Supply will evaluate the job duties, essential functions, level of supervision, typical employee and customer interactions, and the work setting of the job held or sought and how these factors are related to the reported criminal activity to determine if the conviction is job related and if an adverse employment decision is consistent with business necessity.

105.4 **ADVERSE ACTION**

When L&M Supply intends to withdraw a conditional job offer or intends to impose disciplinary action against an employee as a result of a criminal background study, prior to such action, the following steps must be followed:

1. Human Resources will notify the individual of the information contained in the criminal background study.
  - a. Human Resources will inform the individual of the discrepancy as well as informing them that they have 5 business days to, in writing, respond and/or refute the information contained in the criminal background report.
  - b. A copy of the report will be provided to the individual.
  - c. A summary of rights under the FCRA will be provided to the individual.
2. The individual will have 5 business days to respond to and/or refute the information contained in the background study as provided to the individual.
  - a. Any response must be in writing and be provided to Human Resources in a timely manner.
  - b. Human Resources will review the information and L&M Supply will decide on a course of action based on the information provided.
3. If the individual does not respond within 5 business days or does not provide adequate information to refute the information contained in the criminal background report the conditional job offer will be rescinded or the employment of an employee will be terminated.
  - a. A written notice of the decision rendered by L&M Supply will be provided to the individual.
  - b. Written notice will contain the name, address, and telephone number of the consumer reporting agency that furnished the report to L&M Supply as well as a statement that the consumer reporting agency did not make the decision to take adverse action and is unable to provide the individual with specific reasons why the adverse action was taken. The notice will also inform the individual that he or she has the right to dispute the accuracy or completeness of the information provided as well as his or her right to, upon request made within 60 days, obtain an additional free consumer report from the consumer reporting agency used by L&M Supply.

105.5 **ENFORCEMENT/RESPONSIBILITY**

Human Resources will act on behalf of L&M Supply Owners and Sr. Management in applying the procedures of this policy and for conducting an individualized assessment when applicable and in accordance to this policy.

Approved Signatures:

DEL MATTESON: \_\_\_\_\_

DATE: \_\_\_\_\_

SHAWN MATTESON: \_\_\_\_\_

DATE: \_\_\_\_\_

ERIK ANDERSEN: \_\_\_\_\_

DATE: \_\_\_\_\_