



Background Check 21, Done Right.

\$29 regardless of package.

Background Check 21: Frequently Asked Questions

Q. What is the Background Check 21? Every employee, whether employed by the financial institution or a vendor supplying employees, contract or subcontract employees is required by federal law to have a Background Check 21.

Q. Why has SecurTest with its patented iReviewNow been selected to perform the Background Check 21?

- 1) SecurTest provides a fixed flat-rate price, which helps manage your budget.**
- 2) SecurTest is ranked the number one background check provider by HRO Today. Customers, through independent audited surveys, named SecurTest the best provider based on customer satisfaction, delivery of accurate reports, legal compliance, and the ability to deliver to both large and small employers and users of background screening reports.**
- 3) SecurTest is the only background screening provider with the patented iReviewNow. iReviewNow ensures reports are accurate and fair by treating the subject of the background check as part of the process.**

Q. Can I add additional background check criteria, such as employment verifications, credit checks, education verification, drug testing, I-9, and other features for an additional fee? YES. Call 800-445-8001, as we can develop a background screening solutions that incorporates the Background Check 21 mandates along with your other screening needs.

Q. Are there convictions that will prohibit or restrict my hiring or allowing access to a FDIC insured institution? YES. We must report convictions or criminal records where the subject entered into a pre-trial diversion or similar program.

Package A Restrictions
Bad checks (if over \$1,000)
Bribery
Burglary
Check kiting
Concealment of assets
Corruption
Counterfeiting
Drug trafficking/illegal sale, manufacture, or distribution
Embezzlement
Falsification or falsifying documentation, evident or an oath
Forgery
Fraud
Impersonation
Misapplication/misappropriation of funds
Money laundering
Perjury
Possession or receipt of stolen property
Robbery
Shoplifting
Theft or larceny
Treason
» Crimes of dishonesty
Dishonesty involves a crime where a person acts directly or indirectly to cheat or defraud for monetary gain or wrongfully takes property that belongs to someone else. Dishonesty also includes acts involving lack of integrity or intent to distort, cheat or act deceitfully or fraudulently.
» Breach of trust
Breach of trust occurs when a person who has been entrusted with the money or property of another uses or takes that money or property for his or her own gain.

Package B Restrictions
Abduction
Aggravated assault/battery
Assault (felony)
Assault with intent to commit a felony
Burglary
Child abduction (not in a domestic relationship)
Child molestation
Fraud
Hate crimes
Hostage taking
Indecent assault

Kidnapping
Manslaughter
Mayhem/dismemberment
Murder/attempted murder
Possession of illegal weapons
Rape/attempted rape
Robbery
Sex crimes
Sexual/carnal abuse of children
Stalking
Terrorism/terrorist threats
Theft or larceny
Weapons use
» More than one conviction for any of the following misdemeanors in the time period evaluated:
Domestic violence
False imprisonment
Harassment
Indecent exposure
Inflicting corporal injury
Prostitution
Shoplifting

Package C Restrictions
Reports all records in Package A and B

Q. What package should I order, A, B or C? The financial institution will instruct you on which package based on the level of access or requirements under the law. Package C is the most comprehensive background check, as it combines the requirements under packages A and B. When in doubt, order Package C, as it is the most comprehensive report.

Q. What if my employee, contractor or subcontractor does not qualify under the Background Check 21 criteria, can I still employ, hire, or retain the subject for a position unrelated to a FDIC insured institution? YES. Provided you follow the mandates under FDIC Law 1000, you can place the individual in another position. However, consider the information developed in iReviewNow and apply reasonable practices based on your needs and risks. Call SecurTest for sample policies and procedures to mitigate your risks.

Q. I am a vendor and my employees or contractors will be working for or in a FDIC insured institution. Am I required to have a Background Check 21? YES.

Q. What is the FDIC Law? [Click Here](#) or read below.

SEC. 19. PENALTY FOR UNAUTHORIZED PARTICIPATION BY CONVICTED INDIVIDUAL.

(a) PROHIBITION.--

(1) IN GENERAL.--Except with the prior written consent of the Corporation--

(A) any person who has been convicted of any criminal offense involving dishonesty or a breach of trust or money laundering, or has agreed to enter into a pretrial diversion or similar program in connection with a prosecution for such offense, may not--

(i) become, or continue as, an institution-affiliated party with respect to any insured depository institution;

(ii) own or control, directly or indirectly, any insured depository institution; or

(iii) otherwise participate, directly or indirectly, in the conduct of the affairs of any insured depository institution; and

(B) any insured depository institution may not permit any person referred to in subparagraph (A) to engage in any conduct or continue any relationship prohibited under such subparagraph.

(2) MINIMUM 10-YEAR PROHIBITION PERIOD FOR CERTAIN OFFENSES.--

(A) IN GENERAL.--If the offense referred to in paragraph (1)(A) in connection with any person referred to in such paragraph is--

(i) an offense under--

(I) section [215](#), [656](#), [657](#), [1005](#), [1006](#), [1007](#), [1008](#), [1014](#), [1032](#), [1344](#), [1517](#), [1956](#), or [1957](#) of title 18, United States Code; or

(II) section [1341](#) or [1343](#) of such title which affects any financial institution (as defined in section 20 of such title); or

(ii) the offense of conspiring to commit any such offense,

the Corporation may not consent to any exception to the application of paragraph (1) to such person during the 10-year period beginning on the date the conviction or the agreement of the person becomes final.

(B) EXCEPTION BY ORDER OF SENTENCING COURT.--

(i) IN GENERAL.--On motion of the Corporation, the court in which the conviction or the agreement of a person referred to in subparagraph (A) has been entered may grant an exception to the application of paragraph (1) to such person if granting the exception is in the interest of justice.

(ii) PERIOD FOR FILING.--A motion may be filed under clause (i) at any time during the 10-year period described in subparagraph (A) with regard to the person on whose behalf such motion is made.

[Codified to 12 U.S.C. 1829(a)]

[Source: Section 2[19(a)] of the Act of September 21, 1950 (Pub. L. No. 797), effective September 21, 1950, as amended by section 910(a) of title IX of the Act of August 9, 1989 (Pub. L. No. 101--73; 103 Stat. 477), effective August 9, 1989; section 2502(a) of title XXV of the Act of November 29, 1990 (Pub. L. No. 101--647; 104 Stat. 4860), effective November 29, 1990; section 1505 of title XV of the Act of October 28, 1992 (Pub. L. No. 102--550; 106 Stat. 4055), effective October 28, 1992; section 320605 of title XXXII of the Act of September 13, 1994 (Pub. L. No. 103--322; 108 Stat. 2119), effective September 13, 1994]

(b) PENALTY.--Whoever knowingly violates subsection (a) shall be fined not more than \$1,000,000 for each day such prohibition is violated or imprisoned for not more than 5 years, or both.

[Codified to 12 U.S.C. 1829(b)]

[Source: Section 2[19(b)] of the Act of September 21, 1950 (Pub. L. No. 797; 64 Stat. 893), effective September 21, 1950, as added by section 910(a) of title IX of the Act of August 9, 1989 (Pub. L. No. 101--73; 103 Stat. 477), effective August 9, 1989]

(d) BANK HOLDING COMPANIES.--

(1) IN GENERAL.--Subsections (a) and (b) shall apply to any company (other than a foreign bank) that is a bank holding company and any organization organized and operated under section 25A of the Federal Reserve Act or operating under section 25 of the Federal Reserve Act, as if such bank holding company or organization were an insured depository institution, except that such subsections shall be applied for purposes of this subsection by substituting "Board of Governors of the Federal Reserve System" for "Corporation" each place that term appears in such subsections.

(2) AUTHORITY OF BOARD.--The Board of Governors of the Federal Reserve System may provide exemptions, by regulation or order, from the application of paragraph (1) if the exemption is consistent with the purposes of this subsection.

[Codified to 12 U.S.C. 1829(d)]

[Source: Section 2[19(d)] of the Act of September 1, 1950 (Pub. L. No. 797; 64 Stat. 893), effective September 21, 1950 as added by section 710(a) of title VII of the Act of October 13, 2006 (Pub. L. No. 109--351; 120 Stat. 1990), effective October 13, 2006]

(e) SAVINGS AND LOAN HOLDING COMPANIES.--

(1) IN GENERAL.--Subsections (a) and (b) shall apply to any savings and loan holding company as if such savings and loan holding company were an insured depository institution, except that such subsections shall be applied for purposes of this subsection by substituting Director of the Office of Thrift Supervision' for Corporation' each place that term appears in such subsections.

(2) AUTHORITY OF DIRECTOR.--The Director of the Office of Thrift Supervision may provide exemptions, by regulation or order, from the application of paragraph (1) if the exemption is consistent with the purposes of this subsection.

[Codified to 12 U.S.C. § 1829(e)]

[Source: Section 2[19(e)] of the Act of September 1, 1950 (Pub. L. No. 797; 64 Stat. 893), effective September 21, 1950 as added by Section 710(a) of title VII of the Act of October 13, 2006 (Pub. L. No. 109--351; 120 Stat. 1990), effective October 13, 2006]

NOTES

Derivation. Section 19(a) derives from section 2[19] of the Act of September 21, 1950 (Pub. L. No. 797; 64 Stat. 893), effective September 21, 1950.

Section 19(b) was added by section 910(a) of the Act of August 9, 1989, known as the "FIRRE Act", (Pub. L. No. 101--73; Stat. 477, effective August 9, 1989.

General guidelines and policies with respect to section 19. On September 27, 1968, the Federal Deposit Insurance Corporation's Chairman addressed the following memorandum to all insured banks.

"The Federal Deposit Insurance Corporation has for some time been studying in detail Section 19 of the Federal Deposit Insurance Act (12 U.S.C. 1829), relating to the requirement for this Corporation's consent prior to any insured bank employing persons who have been convicted of crimes involving dishonesty or breach of trust.

"Section 19 provides as follows:

"Except with the written consent of the Corporation no person shall serve as a director, officer, or employee of an insured bank who has been convicted, or who is hereafter convicted of any criminal offense involving dishonesty or breach of trust. For each willful violation of this prohibition, the bank involved shall be subject to a penalty of not more than \$100 for each day this prohibition is violated, which the Corporation may recover for its use." (emphasis supplied)

"Since the enactment of this law in 1950, our Board has reviewed cases coming under it on an ad hoc basis and each case has been judged on its own merits according to the particular facts and circumstances involved. The need for guidelines and standards to be applied prospectively has increased in recent years. Inquiries continue to come in from banking institutions asking what standards

should be applied by them in determining whether an application under Section 19 is required. In addition, programs are now underway on both the Federal and state levels to hire and retrain the hardcore unemployed some of whom may have criminal records, and the banking community will no doubt participate in these programs to some degree. For these reasons, the Board of Directors has adopted the following general guidelines and policies with respect to Section 19. It is our hope that these guidelines will be of assistance to all banks having questions concerning the applicability of our law, and that they will, at the same time, serve to insure the continuing stability and confidence in our banking system.

"I. STANDARDS TO BE APPLIED IN DETERMINING WHETHER AN APPLICATION FOR CONSENT IS REQUIRED UNDER SECTION 19

"A. There must be present a conviction of record. Arrests, pending cases not brought to trial, acquittals, or any conviction which has been reserved on appeal will be excluded from the requirements of Section 19. A conviction which is being appealed will require a Section 19 application until or unless otherwise reversed.

"B. The conviction must be for a criminal offense involving dishonesty or breach of trust. Felonies as well as misdemeanors wherein dishonesty or breach of trust is involved are included within the definition. Dishonesty is defined to mean "to cheat or defraud for monetary gain or its equivalent, direct or indirect, or to wrongfully take from any person, property lawfully belonging to that person in violation of any criminal statute or code.' Breach of trust is defined to mean a wrongful use, misappropriation, or omission with respect to any property or fund which has been lawfully committed to a person in a fiduciary capacity.'

"C. Youth Offenders

1. Adjudgment by a court against a person as a youthful offender under any youth offender law or adjudgment as a juvenile delinquent' by a family court or any other court having jurisdiction over minors as defined by state law will not require an application under Section 19. Such adjudications are not considered convictions for criminal offenses.

"D. Adults and All Minors Convicted of Crimes

1. The Conviction of any adult or minor by a court of competent jurisdiction for any criminal offense involving dishonesty or breach of trust as defined in paragraph B above will require an application for consent prior to a bank's employment of that person.

"II. THE CORPORATION'S POLICY WITH RESPECT TO APPLICATIONS MADE UNDER SECTION 19

"A. In considering any application made by an insured bank to employ a person who has been convicted of a criminal offense involving dishonesty or breach of trust, the factors to be considered will include but will not be limited to the following:

- 1. The specific nature of the offense involved and the circumstances surrounding it.**
- 2. The evidence of rehabilitation of the person since the date of his conviction. (Parole, suspension of sentence, and reputation of the**

person since conviction will be given consideration. Participation by the person in programs on the national or state levels to hire and retrain the hardcore unemployed also will be given consideration.)

- 3. The age of the person at the time of his conviction.**
- 4. The position to be held by the person in the bank.**
- 5. The fidelity bond coverage applicable to the person."**