



## Investigative Reports

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Dear Reader:

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We hope this information will be useful to you; reference to it will assist you with many of the questions that will arise in your tenure with municipal government. However, the *Tennessee Code Annotated* and other relevant laws or regulations should always be consulted before any action is taken based upon the contents of this document.

Please feel free to contact us if you have questions or comments regarding this information or any other MTAS website material.

Sincerely,

The University of Tennessee  
Municipal Technical Advisory Service  
1610 University Avenue  
Knoxville, TN 37921-6741  
865-974-0411 phone  
865-974-0423 fax  
[www.mtas.tennessee.edu](http://www.mtas.tennessee.edu)

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## Investigative Reports

**Reference Number:** MTAS-1239

An investigative consumer report, which is viewed as a much more intrusive inquiry and which contains information collected from personal interviews with neighbors, friends, or associates of the consumer, requires additional obligations. The act (15 U.S.C. § 603(e)) defines an investigative consumer report as:

“a consumer report or portion thereof in which information on a consumer’s character, general reputation, personal characteristics, or mode of living is obtained through personal interviews with neighbors, friends, or associates of the consumer reported on or with others with whom he is acquainted or who may have knowledge concerning any such items of information”.

If a city wants to use an investigative consumer report, it must disclose to the applicant, in a notice mailed, or otherwise delivered to the applicant, no later than three days after the date the report is first requested, that “the investigative consumer report may be obtained” and “inform the employee or applicant that he or she has a right to request additional disclosures of the nature and scope of the investigation” and provide the current or prospective employee with a “summary of the consumer’s rights.” 15 U.S.C. § 606(a)(1). The city also would have to certify to the consumer reporting agency that it “made the appropriate disclosures and will comply with the disclosure on request of nature and scope of the investigation”. 15 U.S.C. § 606(a)(2). This would not affect investigative reports generated using internal investigators for public safety departments. If a city, however, uses an outside firm to conduct investigative consumer reports, then it must comply.

If the city decides to reject the applicant based in whole or in part on an investigative consumer report, the city must provide oral, written or electronic notice of the adverse action and also provide the applicant with a copy of the report and the summary of rights before taking such action. After taking adverse action, the city must provide notice to the applicant or employee of the adverse action, provide the name, address and telephone number of the agency that furnished the consumer report on which the adverse action was based and notify the applicant or employee of the right to obtain the report. 15 U.S.C. § 615(a). The city must also provide a statement that the consumer reporting agency did not make the decision to take the adverse action and is unable to provide the consumer the specific reasons why the adverse action was taken. 15 U.S.C. § 615(a)(3)(B)

Individuals may dispute inaccurate information that appears in a credit report. 15 U.S.C § Section 611(a)(1)(A) provides that “if the completeness or accuracy of any item of information contained in a consumer’s file at a consumer reporting agency is disputed by the consumer and the consumer notifies the agency directly, or indirectly through a reseller, of such dispute, the agency shall, free of charge, conduct a reasonable reinvestigation to determine whether the disputed information is inaccurate and record the current status of the disputed information, or delete the item from the file . . . , before the end of the 30-day period beginning on the date on which the agency receives the notice of the dispute from the consumer or reseller.” The 30-day period may be extended for not more than 15 additional days.

Individuals may also dispute inaccurate information with the furnisher of the consumer information (15 U.S.C. 623(a)(8)). 15 U.S.C. § 623(b) requires the furnisher of the consumer information to investigate good faith disputes, considering “all relevant information” submitted by the consumer. If the investigation shows that the information was inaccurate, the furnisher is required to promptly notify each Consumer Reporting Agency to which it reported the information, and provide to the CRA any correction necessary to make the information accurate.

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*DISCLAIMER: The letters and publications written by the MTAS consultants were written based upon the law at the time and/or a specific sets of facts. The laws referenced in the letters and publications may have changed and/or the technical advice provided may not be applicable to your city or circumstances. Always consult with your city attorney or an MTAS consultant before taking any action based on information contained in this website.*

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