

Employment Screening – Critical Guidelines You Need to Know Before Hiring Anyone

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Let's look at just a few statistics on what the FBI reports is the fastest growing crime in the US - employee theft:

- US Chamber of Commerce reports that \$50 billion dollars are lost annually due to employee theft and fraud and that 20% of all businesses fail due to the same reason.
- According to an Ernst & Young Report, "White Collar Crime: Loss Prevention through Internal Control" companies lose 1% to 2% of its sales to crime -- most committed by, or in collusion with, employees.

Employee theft, negligent hiring, sexual harassment, and workers' compensation fraud are just a few of the liabilities an employer has to face in today's hiring environment.

For example, an Arizona Fitness Club hired an unscreened applicant which resulted in the rape and murder of a female patron while she lounged in the sauna.

Is it any wonder that employment screening has become mandatory? Not only do you want to avoid hiring criminals, don't you want to hire the right candidate who is most qualified for the job? All of this information can be ascertained through a proper background check from a company that knows what they are doing, and/or which can supplement an already existent screening program.

Critical Tips When Choosing an Employment Screening Company

When choosing an employment screening firm, look for longevity first with a track record that can be verified with numerous references from clients. Also look for professional memberships in organizations such as ASIS, SHRM, PIHRA, NPRRA, NAPBS, to name just a few.

Do you have a complete knowledge of employment law? If not, your screener should know the laws involving the background screening process. It helps, if the firm you hire has an acute knowledge of "negligent hiring," much in the way that an Expert Witness might know, since it will be the expert witness who exposes the shortcomings of any hiring loophole which created the environment for the negligently hired employee to have come aboard in the first place!

Intimate, thorough and long-term knowledge of the Fair and Accurate Credit Transactions Act (FACTA), and the Fair Credit Reporting Act (FCRA) is necessary, as well as the ability to testify for you in a court of law if need be – or even better, keep you out of court!

Does the prospective screener have knowledge and understanding of current HR Management systems? How about corporate Due Diligence programs or Factual Employment Screening programs that train people to find fraudulent applications and false identities?

In short, can your vendor help keep you from unwanted litigation? Unless you or someone in your company is an expert in employment law, you are putting your company at significant risk. If you are using any of the multitudes of online databases that have become available recently, it's not likely you are protected.

Not only do these companies decrease your risk of exposure, they may even add to it. For example, let's say you are currently using an employment screener who does not require you to provide a signed release for each applicant. Sounds relatively harmless, doesn't it?

The truth is what these companies have done is had you waive liability to them when you signed up for an account so they can avoid the time and effort it takes involved in this critical step. In the case of an audit, your company is responsible for producing a signed application and therefore liable if you don't have one on file. A good employment screener provides signatures for these audits and you'll never even know when they occur. A typical lawsuit of this nature could cost your company six figures. Can you think of any good reason to take this kind of risk?

Join us again in the next issue and we'll expose several common myths about background checks and give you the real facts such as what you must have including: a thorough candidate identification process, financial and driving history and hand-researched criminal court records. We'll also show you how to use this information to make the best hiring decisions.