

# Copier Careers White Paper

## Are background checks worth it?

Visions of U.S. security tumbled a little for everyone in September 2001, but increased employee background checks are an unexpected upshot of the terrorist attacks.

While employers don't routinely see potential al-Qaeda suspects among applicants, a lot of companies are being more careful about hiring, either for the security of business clients or employees.

Jared Callahan, Director of Sales and Marketing for ESR, a Novato, Calif., company that does pre-employment screening, said they have seen a dramatic increase in the use of their services in the post-9/11 era.

In the aftermath of 9/11, a number of people with a home computer have launched background-checking firms. Many of those people do Internet-only checks, which Callahan says is risky if a person doesn't realize the legal issues involved. The saying, "you get what you pay for" applies in the background check industry, too. "There's no such thing as an in-depth, instantaneous \$9.95 background check," Callahan said. "It's just not possible."

A comprehensive check that will bird-dog everything from education to the international background of an employee is within reach of many smaller companies. This upper tier of gumshoeing involves people who physically check an applicant's history.

While background checks are expanding even into some areas such as food service, some people say checking past employers and observation are powerful tools to assess employees.

"In general, just call a prior employer," said Alan Karul, Chief Financial Officer for Alpha Business Systems, New York, N.Y., a 55-employee office-equipment company. "You can identify in two days if a new hire will fit into your company model by watching their work habits."

### Profile of a profile

It will take about three days or more to get a comprehensive background check and the industry average is \$75-200 per potential employee, according to Callahan. Comprehensive background checks will include a check of employers, education, motor vehicle department, credit information, a Social Security number trace, civil and criminal court records and, if the person has been overseas, an international background check. Then a background specialist researches the final document for accuracy.

Banking and child-care industries have access to the National Crime Information Center records, but there is no crime-checking database available to employers. The employment-screening industry uses the Court Records Research Industry to check the civil and criminal records at the 10,000 courthouses in the United States. This will be a search by licensed, bonded and insured individuals who look at the court file of the person to verify whether the charge resulted in a conviction and other indications the offense was committed by that particular person. Callahan said a similar organization checked international court records, when needed.

How reliable is the background check system? About 1 percent of the time, an error occurs, but agency personnel exert sweat to improve quality. Employment screening companies have ways to assure the records are researched thoroughly and employee screening companies such as ESR tests itself for reliability of information

Everyone can be fooled sometime, but Callahan says the background check will reduce the possibility that will happen. "Without question, people can still get through the cracks," he said. "It's very rare, but it does happen."

Experienced felons who acquire a false identity, set up recommendations from false employers, fake IDs and Social Security numbers will sometimes beat the odds.

"The FBI hires crooks sometimes," Callahan said, "and they do extensive searches that cost thousands of dollars."

### Aptitude test part of hiring process

Background checks or employee screening are sometimes used as part of an objective measurement system for a pre-hire that includes aptitude tests. Aptitude tests are used at Cartridge Technologies, Gaithersburg, Md., a 26-employee copier, printer and fax service company that does machine service in the Washington, D.C. area.

Cartridge Technologies employees sometimes work in high-security areas and are screened, so they need a thorough evaluation. In addition, Bragi Valgeirsson, General Manager, says a company needs to protect itself and employees.

Cartridge Technologies uses the background check in conjunction with an aptitude test to help take the subjectivity out of the decision to hire. "It takes some of your own emotion out of it," said Valgeirsson, "and allows you to more objectively quantify a candidate."

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The applicant first goes through an interview and then, if qualified, takes an aptitude test, administered by a psychologist at \$250 per test. This test checks problem-solving skills and how the person reacts to pressure, Valgeirsson said. If the person shows he or she has the aptitude to do the work, the person is then asked for consent to do a background check.

The company started the hiring process a few years ago and Valgeirsson said, “We feel we’ve been able to much better identify the well-skilled individual.”

## Interviewer needs to look for flags, do housekeeping

Employers watch several things carefully on a résumé. Potential employees may have to explain some legitimate items. These “red flags” include managerial positions that aren’t supported elsewhere in the job history, a job title in a company that doesn’t make sense (for example, Production Director of a Service Organization) or references and jobs for companies that have gone out of business.

Some employee information may surface if an employer asks a general question about any criminal history at some point during the portion of the interview that Callahan calls the “housekeeping” portion.

Sometimes asking a potential employee what former employers will say about him or her, or asking the applicant if they will find anything criminal in their background will elicit a response.

Does the person have objections to signing the consent form? Of course, there may be resistance from some people without a criminal record who don’t want the scrutiny. An employer can refuse to hire someone who won’t consent to a reasonable request for information. But the Fair Credit Reporting Act that governs employee screenings also allows a response from the individual about adverse information found. The provisions of the act require all people that handle consumer data be impartial and protect an individual’s privacy.

“If an employer does a background check and adverse information is found,” Callahan said, “it doesn’t necessarily preclude the person from being hired.”

## Tips on employee screening

Applying for a job or hiring for a job opening can be a time when both the employer and the applicant find a good fit. Here are a few tips about background screening for both employers and employees:

### Employer tips:

You must be open about the process of securing background checks. The Fair Credit Reporting Act and civil law state you must have consent to check a potential employee’s background. Employers can be sued for not following the act. Signed consent from the candidate is required for a employment screening report regardless of the confidentiality of the records used in the background check.

The reason for the background check must be applicable. A background check needs to be relevant to the job for which an employer is hiring – a credit check for a CFO, for example.

Verifying past employment can be dicey. Some employers will give position and dates of employment only. Ask the applicant if you can talk to his or her past supervisor about performance. Sometimes “peer” references, or fellow workers who have left the company, can give information about the employee’s work habits.

Non-discrimination laws apply. Employers cannot discriminate against applicants that have filed for bankruptcy. In terms of disabilities, employers may not use a disability to determine whether the person can work at a job. The decision must be made on duties required and the ability to do them.

Criminal record access varies from state to state. It’s best for a potential employer to check state and local laws about the accessibility of this information. If a professional background check is used, it will include a check at the courthouses in the counties, provinces or parishes where the applicant has lived.

Be sure to put the “false and misleading statements” clause in the application. Such a clause states that if there are false statements found, it is grounds for halting the hiring process or terminating the employee.

### Applicant tips:

Check your own background. Verify that dismissed criminal charges show dismissal at the courthouse(s) where you’ve lived. That’s where the court records research service will check. Credit ratings are available from credit bureaus such as TransUnion, which is one of the agencies available online. Screen your references by asking flat out if they will give you a good reference and if they don’t hesitate, use them.

Honesty is the best policy. If a potential employer feels you might have fudged on your application, (Callahan says they’ve determined about 10 percent do), the employer will naturally wonder about your own honesty. If you quit a job or leave under adverse circumstances, it’s best to explain why rather than not tell about it and have it come up on a background check.

If you consent, make sure it’s appropriate. Courteously ask the potential employer to spell out what the background check will entail before you sign any document. Checking the credit rating of a payroll clerk may be appropriate, but not necessarily for a receptionist.

Make sure you have signed a consent form for this particular background check. Employers who probe into your pre-employment background are under the auspices of The Fair Credit Reporting Act and must have consent.

Applicants don’t have to sign consent. There are employers who do not use background checks. If you don’t want your privacy invaded, you can refuse. The penalty is obvious – the employer may think you have something to hide and can put you out of the running. Yet some individuals may believe their privacy is worth it.

Help your résumé get you a job. After you complete the interview, “sleep on it” and if you still think it’s going to be a good job for you, follow your own perceptions. But if you feel uncomfortable with any potential employer – even something you can’t put your finger on – take your name out of the running. It’s your responsibility to apply for jobs that will help you maintain a good résumé.