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## **SHRM Confirms Increase In Screenings**

A study released by the Society for Human Resources Management (SHRM), revealed a significant increase in the number of employers that conduct pre-employment screening. The findings were part of a study published in 2004 publication entitled Workplace Violence Survey. According to the study, 82% of the respondents indicated they conducted some degree of screening on potential employees in 2003.

The two screening tools that had the largest increase in usage were criminal records and credit reports.

### **Checking Education Records**

Educational credentials are frequently misrepresented on resumes and job applications, because many employers don't check educational references. It's important to do it, though, to make sure that the applicant has the qualifications and background you want.

Common problems are the applicants' saying that they have a degree that they don't have, saying that they graduated from a particular school when they may have only attended it for a short time, or saying that they have a degree in one field when they really have a degree in another field.

Most colleges or universities will verify a job applicant's degree or dates of attendance, and many will do it over the phone. In many cases, you can also obtain a transcript if you follow the school's guidelines for releasing records.

If you've never heard of the institution, you might also want to check to see:

1. What type of institution it is.
2. Which degrees it awards.
3. If it is accredited.

### **Educational Background Checks**

Educational credentials say much about an individual's motivation, initiative, qualifications, leadership abilities, or lack thereof. While certainly not the only measure of a person's capabilities, past academic achievements do indicate a great deal about what an individual may accomplish in the future.

As a result, education is among the first inquiries on most employment applications. However, the same companies that ask about job applicants' schooling seldom take the time to verify the information they are given.

This is unfortunate because the sad fact is that inadvertent and intentional misstatements of academic background present a real and serious danger for American business. False, exaggerated and misleading educational claims saddle employers with workers of both the wrong qualifications and the wrong character.

So why don't employers, as a matter of standard practice, verify the educational background of their job applicants? Certainly inertia plays a big part. It's easier to stay with the status quo, unless and until some unscrupulous candidate slips through, causes a problem and forces the issue.

But another hurdle has loomed even larger. With our increasingly mobile society, companies are seeing more applicants from locations and institutions with which they are unfamiliar. Thorough educational verification practices would require the employer to be ready to check thousands of possible institutions. The enormous data management requirements this would entail are simply more than most companies have been willing to meet.

### **Why Should You Do A Background Search?**

The Atlanta Journal-Constitution discovers an Atlanta nurse that is suspected of causing intensive-care patients to suffer sudden cardiac arrests; finds that the nurse had been fired from numerous other nursing jobs but no previous employer had given him a bad recommendation; he had falsified job applications, and had been indicted for murder in a Birmingham, Ala., code-blue death.

The Anchorage Daily News finds that the city's lead child abuse investigator lied about his past before being hired by the Anchorage Police Department; he was fired from two previous jobs for incompetence and lying and was associated with organized crime figures.

### **Useful Information About Screening Companies**

How important are background checks? If recent reports are any indication, they're crucial.

Springfield handgun maker Smith & Wesson Holding Corp. found that out the hard way this month after a report surfaced that James J. Minder Jr., its new 74-year-old chairman, spent 15 years in prison in the 1950s and 1960s for a series of armed robberies and an attempted prison break in Michigan. Minder resigned from the chairmanship but will retain a seat on the board.

Minder is hardly the first person with a questionable background to occupy the executive suite. Albert J. Dunlap, former chairman and chief executive of Florida-based Sunbeam Corp., was fired from two other jobs before he was ousted by Sunbeam. But the headhunters who probed his work history for the company failed to uncover that information. Instead, an article about the firings appeared in The New York Times.

Workplace and recruitment specialists say reports on the misdeeds of corporate executives and the tarnished backgrounds of top managers have focused attention on the need for background checks, even when candidates have stellar credentials. Companies, they say, shouldn't hesitate to hire independent professionals to investigate the employment history, education, criminal backgrounds, driving records, and credit reports of potential hires.

"In the recruitment process, it is incumbent on the employer to conduct the background search," said Joseph Daniel McCool, editor-in-chief of Executive Recruiter News, a publication of Kennedy Information in New Hampshire. "This is critical. Nobody wants the job of damage control once a damning incident has occurred in the boardroom."

More employers are paying attention to this issue, according to a recent report by the Society for Human Resource Management in Alexandria, Va. The professional association reported that 82 percent of human resources professionals say their companies routinely check job candidates' backgrounds, up from 66 percent in 1996.

The report also noted that employers worried about on-the-job violence say background checks are crucial. "Although background checks are not perfect, they sometimes bring to the forefront behaviors that might be predicative of future violence," the report said. "They also protect employers from negligence should a hired employee become violent at work."

Take the case of Charles Cullen, a 43-year-old nurse who confessed to killing 30 to 40 patients at 10 medical facilities around the country through lethal injections. The murders allegedly occurred over a 16-year period. Cullen was fired several times and suspended once before he landed a new job at the Somerset Medical Center in Somerville, N.J. According to published reports, he was arrested in December in connection with the death of one patient and the attempted murder of another. In some cases, nursing homes were accused of negligence in connection with the deaths because they did not review Cullen's work history. All charges were dropped at some facilities because they did background checks on Cullen before hiring him.

Why didn't the background checks reveal Cullen's employment history? David Opton, founder of Exec-U-Net, the online executive career management site, attributes the failure to find potentially damaging information to how far back in time researchers delve.

"How much information you get depends on how far back you want to go," said Opton. "Many times hiring managers are only interested in what went on over the last 10 years." But a background check might not reveal prior misdeeds because some states do not routinely update their criminal databases, said Toshi Akiyama, a partner at American Databank, an online employment screening service in Denver.

"We don't rely totally on databases because not all counties report the information or upgrade the information regularly," said Akiyama. "We look at a variety of factors, including where the person lived in the past, where they worked, financial and credit checks, assets, education, and at state and federal criminal records."

Akiyama said the level of detail in a report depends on what clients want to pay. A simple county criminal search costs \$10 to \$55, depending on court fees and screening firm. A national fingerprint search costs \$28 per name and can take up to 30 days to complete.

Employers should also carefully screen resumes, said Jason Morris, president of Cleveland-based Background Information Services and operator of employeescreen.com. He said resume checks are critical because applicants have become more creative -- and adept -- at hiding information and stretching the truth.

According to Morris, 56 percent of all resumes reviewed by fact checkers contain false or misleading information. Of those resumes, 9 percent falsely list a college degree or false employers. Thirty-four percent of all application forms contain outright lies about experience, education, and the ability to do the job. Eleven percent of job applicants lie about why they left their previous employer.

Morris said it costs an employer \$15,000 when it hires the wrong person for a low-level position, including training fees, recruiting costs, and money spent replacing and training the dismissed worker. The cost is higher for an executive and includes recruitment, relocation, and transportation and lodging for candidates who traveled for an interview. Failure to check a resume is not the only reason companies get burned, said Exec-U-Net's Opton. He believes trust is also a factor. Corporate hiring executives sometimes assume they know a candidate because he or she belongs to the same club, attended the same church, graduated from the same college, or is a member of the same professional network.

"You get to a certain level and people assume things," said Opton. "If you've known someone for 25 years and you and that person have played golf together or were roommates, why would you think otherwise?"

Perhaps that was the case with James Minder. No one at Smith & Wesson Holding Corp. knew that Minder used a sawed-off shotgun to rob a Detroit bank and a string of stores after attending classes at the University of Michigan in Ann Arbor, according to reports. Following his release from prison, Minder became a highly respected businessman. He gave generously to charity and established a foundation for delinquent youths. Minder later moved from Michigan to Arizona, where he founded the management firm, Amherst Consulting Co. His upstanding professional and personal reputation led several organizations to invite him to sit on their boards. In 2001, he joined the board of Smith & Wesson Holding Corp.

Last month, Minder told The Arizona Republic that he hadn't planned to hide his past at all. When asked why he didn't tell the Smith & Wesson board about his criminal record, Minder said: "Nobody asked."  
Shape Of Things To Come?

### AIG Private Client Group to Provide Complimentary Background Checks for Policyholders' Household Staff

AIG Private Client Group, a division of the property and casualty insurance subsidiaries of American International Group Inc. (AIG), announced a loss-prevention initiative that will provide policyholders employing domestic staff with access to background investigations, at no cost. Kroll Inc.'s Background Screening Group, a leading provider of employee and vendor screening services, will conduct the investigations.

AIG Private Client Group, which focuses exclusively on personal insurance solutions and risk management services for high net worth individuals, initiated the venture with Kroll's Background Screening Group as part of its ongoing directive to help protect the safety and assets of its policyholders.

Once written permission to conduct a background investigation has been obtained from the current or prospective employee, Kroll can offer an AIG Private Client Group policyholder pertinent information on that individual, including:

- Verification of identity and address history;
- Confirmation of educational background;
- Verification of complete employment history and professional licensure; and

Searching capabilities for federal, state and county criminal records.  
Policyholders have the ability to screen all of their U.S.-based employees, such as their nanny, housekeeper, driver, gardener, chef, or home health worker.

### **Getting Past Ex-Employer's Silence**

Employers increasingly are being held legally liable for the damaging workplace behavior of their employees -- much more often than a company is sued for defamation because they provided a negative reference for a former employee, Neiman says.

"Most attorneys tell their corporate clients to use a name, rank and serial number approach to references, out of fear of getting sued by the employee for slander or by the new employer for omitting key information," he says. "In fact, these types of suits are extremely rare. But it's so hard for an employer to get substantive responses to reference questions that some states have adopted laws encouraging openness in the process.

"One of the best ways to get something substantive from a tight-lipped reference source is to ask, 'Would you take this employee back if they asked?'" Neiman adds. "Most employers have a hard time avoiding this question, and anything other than an unqualified yes should set off alarms."