



Background Checks – Where and How we get the information

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As an employer, one of the most important decisions you make is who you hire...period.

Why Run Background Checks?

- ▶ Verify whether an applicant's resume is truthful

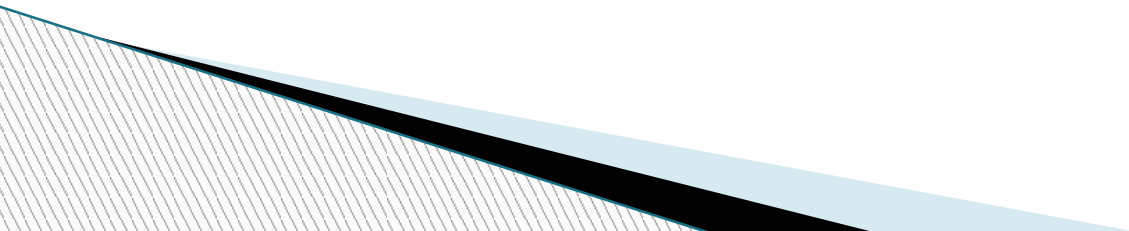
Help Your Business Eliminate Headaches and Costly Turnover

- Most companies are not aware of the cost of hiring new employees.
- By taking the time to screen and hire employees that have a good stable work history will save time and money.
- Most companies now are in an endless battle against turnover.

- It is more crucial now than ever to hire the best employees and have a program in place in which to do so.
- Retaining the best staff possible should be a priority regardless of your market or industry.

What is turnover costing your company?

- ▶ Studies show the actual cost of replacing an employee can amount to 3 times the employee's annual salary depending on how long it takes to fill that position.
- ▶ When employees leave, there are a number of factors you must consider in replacing them



Direct Cost

- Job ads
- staffing or recruiting fees,
- sign on bonuses, incentives, etc.

Indirect Cost

- More difficult to calculate
- Lost production
- Time it takes for training
- Employee leaving is taking with them all the skills acquired at a cost of time, and at the expense of the company.
- Your business is understaffed while management searches for a replacement
- If an employee is leaving due to a management issue, the cost could be greater due to the decline of team member morale, or even worse, losing multiple employees at once.
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How is Criminal Information Obtained?

- ▶ In today's world there is an information overload. With that much information how you know that the data you're getting is reliable and accurate. It is in your best interest to use a company that knows how to determine if an applicant is or has been involved in criminal activity.
- ▶ The proper due diligence could help save you and your company from litigation including negligent hiring lawsuits, or lawsuits from someone denied employment that never had criminal history.

Criminal History is only stored by
Name and Date of Birth
Not Social Security Numbers!

There are a number of sources to obtain all types of information when dealing with criminal records.

- 3rd Party Sources
 - State Criminal Records
 - County Criminal Records
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3rd Party Sources

Multi State or National Criminal Databases

This consists of information individuals have compiled from County and State Level Court Records and put in one central location in which to access criminal records.

There are literally 100's of these types of databases, so how do you know which ones will be more accurate and reliable, and which ones keep updated when a record gets dismissed or follows through to a conviction. You don't.

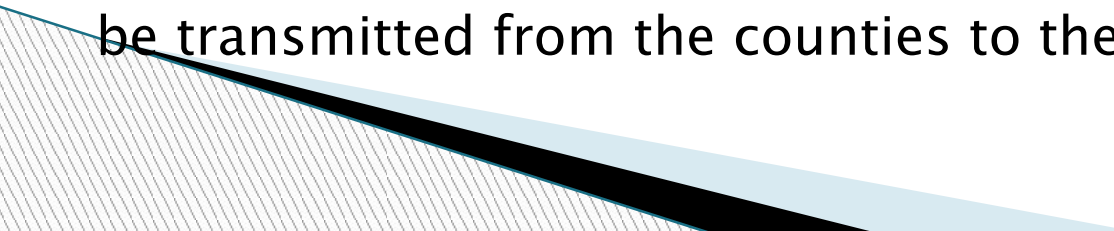
It is crucial to use a company that has tested these databases against each and will also verify any information received from this type of database before reporting it to the you.

If you deny someone the right to be hired for a criminal record that was dismissed or wasn't them altogether.....

the damage is done.

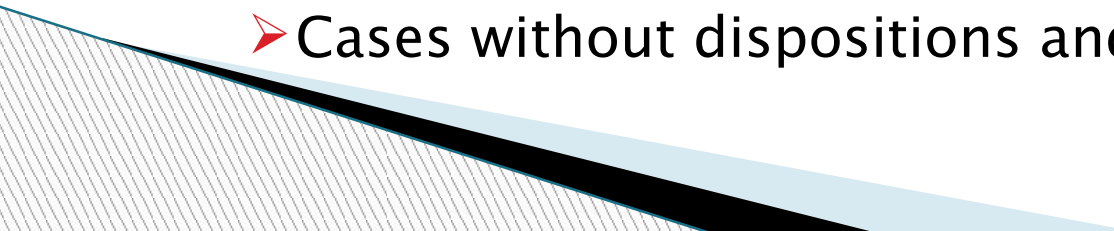


State Criminal Records

- ▶ Records the state officials have acquired from the county level in which to have a centralized state repository of criminal conviction and arrest records.
 - ▶ These are a good tool but again these records can be inaccurate depending on how they are stored and updated. State records rely on local jurisdictions to report criminal information.
 - ▶ With each county the time of updating can be different and inconsistent.
 - ▶ All levels of offenses may or may not be reported. The state law for each state determines what types of records may be omitted from the index.
 - ▶ Each state is also different in determining what types of records will be transmitted from the counties to the state criminal databases.
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State Criminal Records

These records can include but are not limited to:

- Felonies
 - Misdemeanors
 - Infractions
 - Traffic violations
 - Arrest
 - Deferred adjudications
 - Cases without dispositions and expunged records.
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County Criminal Records

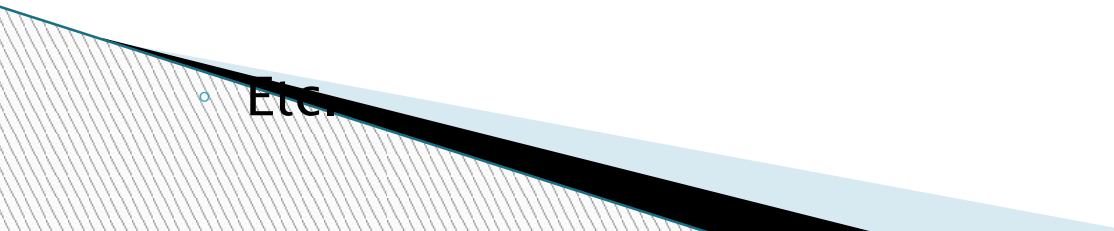
The best source for criminal information

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These are the most complete and up to date records available for criminal history.

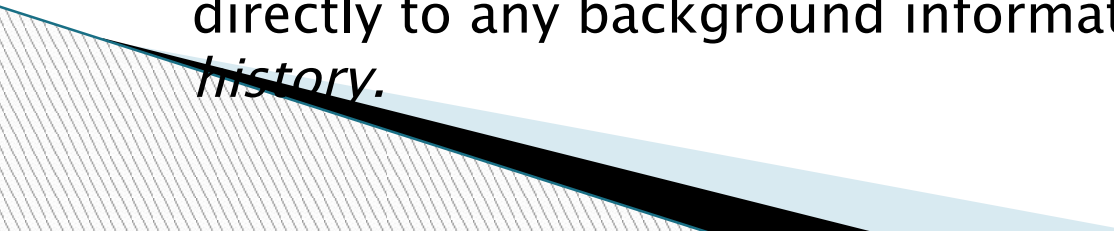
- Now the question... How to determine which counties to search for a particular applicant's criminal history?
- We recommend along with the other databases to search every county an applicant has lived in the past 7 years, and verify any other type of record, State or 3rd Party, at the county in which the offense was committed.

Any positive hits found on a National or State Level Search should be verified at the county level.

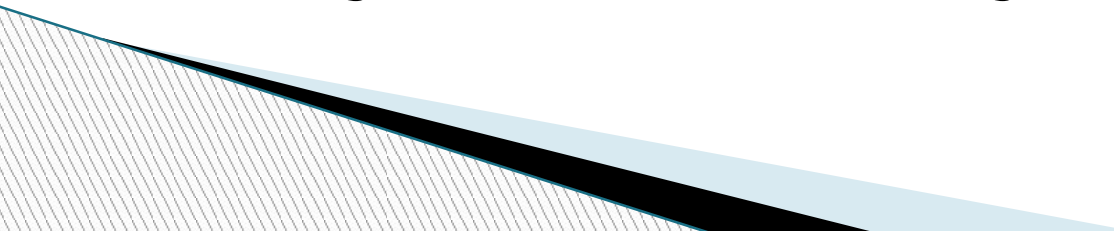
- ▶ Along with criminal records there are a number of things that may need to be searched for an applicant, such as:
 - Education or License Verification
 - Social Security Number Validation
 - Motor Vehicle Reports
 - Credit Status (certain states prohibited) when job pertains to dealing with money
 - Drug Testing
 - Etc.
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FCRA/FTC/EEOC Compliant

Many companies don't understand the importance of being compliant with the:

- Fair Credit Reporting Act (FCRA),
 - The Federal Trade Commission (FTC)
 - The Equal Employment Opportunity Commission (EEOC).
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- These are the entities that govern how background checks are to be administered in the hiring of new employees.
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- Just like the EEOC and FTC, the FCRA pertains to much more than what its name states and also has guidelines that pertain directly to any background information, *including criminal history*.
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Adverse Action – what to do when criminal history is found on an applicant

- ▶ **How recent was/were the conviction(s)?** A conviction record that occurred many years ago (with a clean record since) should not be considered an indication of current conduct or recurring behavior. Most Background Check companies use a time frame of 5 – 10 years as a range of reference.
 - ▶ **How is this record relevant to your open position?** In order to be compliant with EEOC guidelines, it is necessary to determine what type of criminal history would keep an applicant from performing their job duties in a manner that is safe and would not cause damage to your business. For example, past convictions for embezzlement or fraud would be of great concern when hiring a bookkeeper or accountant.
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What do you do when the Background Check report does contain information that will keep you from considering the applicant for hire or promotion?

- ❑ Notify the applicant, in writing, of your determination and provide them copy of the Background Check Report.
- ❑ Give the applicant the opportunity to correct the information in the Background Check
- ❑ Report or for them to offer information to mitigate the report's findings.
- ❑ Determine whether any additional information you receive from the applicant will reverse your initial decision to exclude the applicant from hire or promotion.
- ❑ Notify the applicant of your final determination.
- It's very important to document this entire process.
 - You need to have notes as to what decisions you made concerning the hiring or promotion of the applicant and when you made the decision.
 - Good records will help protect your company in the event of litigation.

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