

All You Need to Know
To Hire Quickly & Effectively



Background Check Essentials

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One There is More Than One Type of Background Check

A call came into the office. It was from Deborah, the head of an agency that provided temporary staffing for offices in the city.

“I can’t seem to access my account,” she told Anna, one of our receptionists. “Can you tell me how to log in?”

“No problem,” Anna said. “This happens all the time. When did you last log in?”

Deborah’s response shocked Anna. “Never. I’ve never logged in.”

Anna couldn’t believe what she was hearing. “My files say that you’ve run over a hundred background checks over the past two years with us. Are you saying that you’ve never logged in to check the results on any of them? You’ve been hiring people without knowing what the background checks said? Do you even know which background checks you’ve been running?”

That's when the truth came out. Deborah didn't know anything about background checks. When she came on board, she had dismissed any offer we made to explain the details to her, claiming she understood it well enough already. What Deborah meant was that she assumed she didn't need to know anything about them. In her words, "I figured that simply having a background check in place would do the job for me. They would scare off anyone with a record. If an applicant had committed a crime, surely they wouldn't apply once they knew I'd find out about it."

We immediately went into emergency mode and reviewed every one of the background checks Deborah had not looked at. We also gave her the login information (for what it was worth).

It turned out, she had gotten extremely lucky. None of her employees had a record. But I made sure to explain to her that zero out of a hundred was indeed extraordinarily good fortune in our line of work.

"From now on, I'm going to help you make smarter choices—whether you want to listen or not," I told her. "Let's make sure you've got the right checks. And then, let's make sure you're reviewing the information when it comes in."

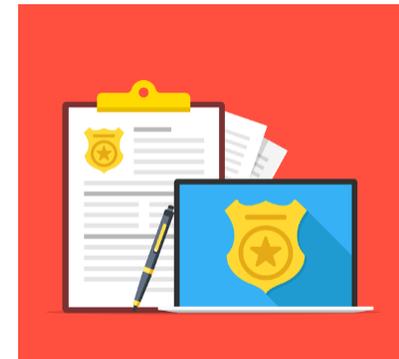
What Is a Background Check, Anyway?

Deborah had clearly missed the point of the background checks she was running, but as I told her, she shouldn't feel too bad about that. Many companies—including some extremely successful ones—don't fully understand why they are running background checks, which checks they're doing, or what information they're actually able to gather.

To help Deborah (and you), the best place to start with the essentials of background checks is with a very basic question: What is a background check?

A background check is a broad term for many different processes and screenings that allow an employer to verify an individual is who they claim to be. This is done by investigating and reviewing important information about an applicant's previous history. As you will see shortly, these checks can cover everything from criminal records to social media activity. What unites them is their purpose, which is to provide information to an employer that helps paint a picture of the applicant's character and previous behavior. That information can, in turn, help the employer make the best hiring decisions.

At this point, most companies are aware of the general purpose of background checks and know they should run checks of some sort or another, but that is the extent of their knowledge. They don't particu-



larly know what data to expect from their background checks or which information they should prioritize. They simply entrust the process to an outside company and expect that company to make the best choices for them.

But this process deserves far more attention, because it is your best resource for eliminating crime in your workplace. A background check can let you know if you are providing

a convicted thief access to your cashbox or handing over the keys to tenants' apartments to a convicted sex offender. Knowing this before you hire someone can reduce the chance of a crime occurring, prevent negative publicity for your company, and limit your liability if a crime does transpire within your organization.

Simply put, your best protection against hiring someone who could hurt you, your employees, your customers, and your company is the background check. Background checks give you as much information as you can legally acquire about someone you are considering hiring, letting you make the best choices possible to protect everyone associated with your company.

I'm sure all of that sounds great. Simple and easy to understand. Unfortunately, things are about to get much more complicated.

How Background Checks Work

We've all seen how a background check works on TV. Someone sits at a computer, types in a name, and instantaneously gets the most up-to-date and thorough information on the person they're seeking. There's a picture and pages and pages of data just waiting to be scrolled through. The person at the computer can find a previous conviction at a glance and can act on that information with absolute certainty it is correct.

It'd be great if that was how background checks actually worked—but it isn't. A background check isn't like a credit report, where you put a Social Security number in and get a complete and accurate history. The process is slower and more complicated, the information is less unified, and the results are never quite 100 percent accurate.

The reason the system doesn't work like the movies is multifaceted. For one thing, the government doesn't track Social Security numbers for criminals. Even if they did, they wouldn't make them available to the general public because that could be a privacy violation. And even if they did release that information, there would still be flaws in the system, because many criminals are not in this country legally and do not have Social Security numbers. That means there's no single reliable identifier attached to each person that allows us to gather accurate information about them. We have to rely on names, birth dates, and records from the local jurisdictions where the applicant lived, which can obviously lead to confusion in record keeping and retrieval.

Another reason is that immediate, comprehensive information about an individual only exists in one place: the FBI database. And citizens don't have access to that. It's only open to law enforcement. In its place, there are privately run databases and publicly available information from courts and other government resources, which must be checked directly. This leaves employers in a situation where they have to use a number of work-around services to achieve that complete profile they see on the screen. They have to run multiple checks that come with varying costs, timelines, and levels of intrusiveness for the applicant.

An employer has to weigh the value of the information they can gain against the cost and friction such a check adds to their hiring process. For instance, the closest an employer can get to the FBI database is through fingerprinting. But that requires an applicant to go down to a police station or have their prints scanned at a location that might not be

close to where they live or work. Results can take a full business week to arrive. How many applicants are willing to go through that and wait that long to find out about a position? Employers must weigh how important that level of information and accuracy is when hiring for this particular position.

Most employers can't afford to risk losing their best applicants to that kind of cumbersome process—one that also still comes with its own limits on the information available. Perhaps such a check would be appealing for a particularly high-level hire, but for the average position, most employers prefer a combination of checks that are quick, affordable, and reasonably painless for applicants. That's the only way to get the information you need as quickly as you need it.

Finally, a standard fingerprint service may not provide the advice and information necessary for a company to make compliant and accurate hiring decisions. The cost for standard state and federal fingerprinting might be prohibitive as well.

For these reasons, companies that include major ride-share companies and others who have to hire quickly have shied away from requiring new members of their team to get fingerprinted and instead utilize a background check company for the more conventional type of background checks, which we will discuss.

Different Types of Criminal Background Checks

Employers have far more background check options available than they may realize. This is not a single check that you run, get complete information, and move on from. There is

a whole world of potential checks and screenings, each with its own strengths and limitations in providing a picture of the person you are considering hiring.

In fact, there are so many background check options that I split the main ones into two chapters. In the next chapter, I'll cover many of the noncriminal checks and screenings available. Here, I'll focus on the most popular types of criminal background checks you can run. That will give us plenty to cover here.

So let's imagine you are hiring for a new position at your organization. You have a dozen applications who fit the qualifications and experience you're looking for. You know you need to find out the criminal history for each of them. What checks do you run to get the best information? And what limitations come with each?

There are a large number of criminal background check products out there, but I will focus on the ones I think every employer should run, at minimum, if they want a clear picture of the applicant's criminal history:

- » Social Security trace
- » Multi-state criminal records database search
- » National Sex Offender Registry search
- » Global security watch list search
- » The statewide criminal records search
- » County-level criminal records search
- » Federal criminal records search

With this mix, you tend to get the clearest, broadest, and most up-to-date information available. Let's take a look at each one in turn.

Social Security Trace

A Social Security trace report should be the first step in a background check. While we can't use a Social Security number to investigate an applicant's criminal history, this report provides information that will be critical in attaining that history.

A Social Security trace verifies an individual's Social Security number by matching it to names—such as a maiden name or possible aliases—addresses, and the date of birth (DOB) associated with the applicant. If an applicant has concealed a name or identity, a Social Security trace is a good place to start to find that out.

Most employers do not understand or tend to underestimate the impact this search has on their background check.

The Multi-State Criminal Records Database

The multi-state criminal database is the only national database that is available to the general public (because, again, the FBI isn't sharing their information), and it is usually the first place you want to look.

The database is maintained by a private company that purchases and organizes publicly available information about criminal records from states across the country. This check also has the added bonus of being instantaneous and cheap, making it an ideal option for nearly every company.

In addition, some background check companies like ours will add other checks to the list above, namely the national sex offender registry and the global security watch list, as acting as a comprehensive terrorist database. Because while an applicant may or may not be on any of these lists,

you want to be sure to cover these concerns. We feel strongly enough about this that we add these services for free.

If your background check company doesn't, you'll want to make sure they offer them and then add them to the mix.

These three databases give you a very broad sweep of an applicant's potential criminal history, but there are limitations. Importantly, the multi-state criminal database doesn't necessarily provide a complete criminal history on the applicant. This is largely due to each state's different laws. (Because information is independently purchased in bulk from the states, each state puts limits on what information it releases. There is no requirement that a state provide any particular information for the database.)

New York, for instance, only sells Department of Corrections information. That means the only info the database has from New York is for those whose conviction was serious enough to warrant a prison sentence. Because the majority of convicted criminals don't serve a sentence, the database is missing most of the criminal records from that state. So if one of your twelve applicants was convicted of theft in New York but pled down to receive only community service, you won't get that record from this database.

New York isn't even the most reticent participant in the database. Some municipalities don't participate at all. That means that no matter what conviction your applicant received, if it occurred in a municipality that doesn't provide data to the database, it won't show up at all.

This is not the end of the limitations to this search either. Even when states and municipalities provide information, there's a risk that the information could be inaccurate.

Because the data is purchased in bulk and registered through names and birthdates instead of Social Security numbers, there's always a chance that a technical error can occur at some point in the process. And any exchange of information across platforms leaves room for mistakes to happen. Some information could be misplaced. Names could be misspelled or a birth month changed. And there's also a risk that information could simply not be up to date with the latest records. These databases are commonly updated monthly, so if a criminal record is particularly recent, it may not show up. Likewise, if a record has been removed or expunged, it may still appear on the search. The same might apply to the sex offender registry and terrorist databases.

Sex Offender Registry Search

A registered sex offender is a person who has been convicted of a sex crime and is required to register in their county of residence as a sex offender as part of their sentence. Sex offender registries generally include the offender's address, a description of their physical appearance, a picture, and the crimes for which they are required to register. All fifty states require individuals convicted of certain sex crimes to register for a defined period of time. Those convicted of more violent crimes are typically required to remain registered for longer periods. While registered, sex offenders must update their addresses each time they move.

A sex offender registry check can quickly identify if someone is a risk to a vulnerable population and the general public, including employees and customers. Almost all

sex offenses may be considered job relevant when individually assessing someone's suitability for employment, which is in compliance with the Equal Employment Opportunity Commission's guidance.

To qualify as a registered sex offender, a person must:

- » Have been convicted of a sex crime(s).
- » Have been required to register as a sex offender in their state/county of residence as part of their sentencing.
- » Have registered as a sex offender, usually through the sheriff's department in their home county.

Despite it being a criminal offense not to register as a sex offender when required to do so as part of sentencing, many sex offenders fail to register. Thus, a significant percentage of offenders in each state are not included in the registry and cannot be guaranteed to be free of a sex offender conviction.

Our sex offender registry includes information such as the identity and location of known sex offenders from all fifty states as well as Washington, D.C., the Northern Mariana Islands, the US Virgin Islands, Puerto Rico, Guam, and Native American tribal lands.

Global Security Watch List

A global watch list records check will look for an individual on all of the major global watch lists, which include monitored lists, adverse media lists, sanctions lists, and politically exposed persons lists. Some of these lists will allow you to

identify individuals that the FBI suspects of serious crimes, such as people who are on a most-wanted list.

Global watch list records are constantly updated, and it's important to rely on trusted sources of high-quality data that monitor record updates in real time.

A global watch list screening first verifies the identity of an individual against multiple independent and reliable sources. The global watch list records check then runs the verified profile against a comprehensive set of watch lists and is alerted if an individual is on any of the sanctions lists around the globe for activity including:

- » Criminal activity
- » Terrorism
- » Financial crimes
- » Financial sanctions
- » Exclusions and debarments
- » Disciplinary actions

Data is pulled from global watch list sources, including but not limited to:

- » Office of Inspector General (OIG)
- » Office of Foreign Asset Control (OFAC) Specially Designated Nationals (SDN) and Blocked Persons
- » European Union Consolidated List
- » Drug Enforcement Agency fugitives
- » Government sanction databases
- » US terrorist watch list

One thing that you can be sure of is that if an individual is on a global watch list of monitored individuals, they

will not make a trustworthy employee. In fact, they could be a very serious danger to you, your employees, your customers, and the entire company.

The Statewide and County-Level Criminal Records Searches

Because of the potential blind spots in the national criminal database, I always recommend that in addition to the multi-state criminal database search, clients use a combination of county-level and/or statewide criminal searches. These differ from the multi-state search in that they are not run through a single database. Instead, they involve a direct check at local courthouses. In this situation, we actually send someone down to the necessary courthouse and check the records ourselves (although, as you'll see later, some of this process is also going digital).

The benefit of these checks is immense. They are extremely accurate and extremely up to date because we look at the court's exact records. This also limits the potential for error because the information isn't transferred anywhere. If a conviction occurred and the court recorded it, we'll know about it.

Since this is an actual courthouse search you have the benefit of having a human eye doing the research, which can in turn pick up on a slightly misspelled name or minor changes in the date of birth.

However, there are a few downsides to these checks as well. In the first place, because they involve physically going to a courthouse, the scope is naturally limited. We aren't going to visit every single courthouse in the country

to check for every applicant. So employers need to think about the most relevant courts they want checked, usually their own municipality and state as well as potentially checking neighboring municipalities and states where an applicant may have lived or committed a crime in the past seven to ten years. The Social Security trace mentioned above is a great reference for previous addresses.

Additionally, because of the man-hours required, this check takes longer and is more expensive. We can usually get it done in a day or two, but results are far from the instantaneous turnaround you get with the multi-state criminal database search.

The results, though, speak for themselves. It was a county-level check that Jordan's background check company failed to run in the introduction. If the company had gone down to the local courthouse, they would have found a long record of convictions for Jordan's new hire.

So while these checks are a little more costly in time and money, they are definitely worth running.

The Federal Criminal Record Search

A federal courthouse search covers another blind spot found in the multi-state criminal database. With this check, you get far more information about potential white-collar crimes like embezzlement and wire fraud. Obviously, not every applicant needs this search run, but when hiring for positions of significant responsibility—particularly for those who will have access to money or are C-level hires—it is worth considering.

The online system for this search is called PACER—which stands for Public Access to Court Electronic

Records—and technically, you can search it yourself. Be forewarned, though, it's extremely complicated to use. There are very few identifiers within the database that you can use to find your applicant. This often requires a bit of detective work to hunt down any records.

No Check Is 100 Percent or Covers Everything

Running these checks will give you most of the essential criminal history information you need in order to make an informed decision about an applicant. However, I want to remind you that this is not an exhaustive list of your criminal background check product options—for instance, we also offer products for global criminal background checks—nor is it a guarantee that every possible record is covered.

Unfortunately, there are no 100 percent guarantees in background checks. It's always possible for something to slip through one way or another. What this mix of checks will give you is the best possible assessment of an applicant for a reasonable price and on a reasonable timeline—so long as you learn from Deborah and actually check the information.

This is really just the start, though. Because when you're hiring, you aren't necessarily only interested in an applicant's criminal history. What about education verification or checking their driving history? What about their credit history?

That's a whole other set of checks we're about to dive into.

One Essential Search

Keeping track of all the background checks covered in this chapter can be overwhelming. It's a lot of information coming from many different sources. To simplify, you can ask your background check company

whether they offer effective coverage in a single package of checks.

For instance, at our company, we offer the multi-state alias criminal search. This is an option for those who want more robust results from the multi-state criminal database. The multi-state alias criminal search combines a Social Security trace with our multi-state criminal database search to uncover and review all names associated with your applicant. With this one product, you can get a criminal search on all aliases and maiden names your applicant may have used in their past.

This helps employers catch those applicants who give false information to trick the system. It is very common for applicants with criminal records to change their names or date of birth in order to fool the system. As we'll discuss later, these changes can be quite clever and difficult to notice without access to these searches.