

THE HR CONNECTION

Church, Engle & Associates

Recruitment Specialists & Human Resource Services

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*The Round Church,
Richmond, Vermont*

In this Edition:

*Background and
Reference Checks:
Additional Tools to
Avoid Hiring Mistakes*

Helpful Links:

Vermont Criminal
Information Center:
<http://www.dps.state.vt.us/cjs/recordcheck/faq.htm>

Federal Trade
Commission: Offers a
publication, which can
assist employers in
identifying bogus
degrees.
<http://www.ftc.gov/bcp/online/pubs/buspubs/diplomamills.htm>

Quote of the Day:

"Change your
thoughts and you
change your world"--
Norman Vincent Peale

Background and Reference Checks: Additional Tools to Avoid Hiring Mistakes

In these days of theft, violence, and fraud in the workplace, Employers and Human Resources professionals are aware more than ever before of the need for background and reference checks to avoid costly hiring mistakes. It is estimated by various background checking vendors that 10% of applicants flat out lie about their credentials and 30% have errors or misstatements on their applications/resumes. However, there is some misunderstanding about the differences between a background check and a reference check. Additionally, many employers are unsure about the kind of information they can legally obtain about a new hire.

Reference checks are typically performed by the hiring employer and are used to verify the employment and personal references provided by a candidate. These references usually attest to the skills and qualifications that a candidate has for a job. They may also include a verification of employment dates with an applicant's previous employer.

Background checks take reference checking to another level. Most often, companies use third party vendors since it is usually not cost effective to perform this service in-house. The most common services utilized include criminal record searches, social security number verification, educational verifications, credit checks, motor vehicle record checks, professional license verifications, and employment verifications. There are numerous vendors available to provide this service and a good vendor will work closely with an employer to develop a screen that meets an organization's needs.

Applicants need to be treated fairly by companies that utilize background checks. While it is perfectly acceptable to have different *levels* of screening for different groups of employees, it is important that all applicants in a specific job group/description receive the same screen. For instance, a company will want to perform driver's license checks on all applicants who will make deliveries, but will probably not find it necessary for office staff who do not drive.

Criminal Background Checks

Criminal background checks are probably the most common background check performed. Unfortunately, there is no one-stop source in the US for criminal background checks. In fact, most states only offer county searches, so checking on applicants who have lived in many places can require numerous courthouse checks. Since there are over 10,000 courthouses in the United States, this can be quite a project if an employer is trying to get information on an applicant who has moved around. This is one of the reasons employers use vendors.

In Vermont, employers are able to perform their own Vermont criminal background check since they now have access to the Vermont Criminal Information Center as a result of a law enacted this year. This is a one-stop source of criminal conviction information for all convictions that have occurred *in Vermont*.

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Vermont State House,
Montpelier, Vermont

**Top Employee
Background Checking
and Screening Vendors**
(ranked by the number
of employment-related
background screening
and checks performed.)

Kroll Background
Screening Group
www.kroll.com

Choicepoint
www.choicepoint.com

First Advantage
www.fadv.com

USIS
www.usis.com

Hireright
www.hireright.com

ACXIOM Information
Security Services
www.acxiom.com

Accurate Background
[www.accurateback
ground.com](http://www.accurateback
ground.com)

Information provided by
Workforce Management
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In the past, only employers whose employees provided care for vulnerable populations were allowed access, and so other employers had to perform county to county checks. This is a great resource for employers and more information about this service can be found through the website at: www.dps.state.vt.us/cjs/recordcheck/faq.htm.

Educational Checks

Educational credential falsification is becoming a larger and larger problem. In October 2006 the Justice Department reported that at least 135 government employees bought college or university degrees from an online diploma mill. Individuals can purchase these degrees along with transcripts from online vendors. Prices can range from under one hundred dollars to thousands of dollars. One internet site we discovered sells "high quality degrees, diplomas, certificates and transcripts" as "novelty" items. Their disclaimer exempts them from responsibility for how these "documents" are used. The Federal Trade Commission offers a publication, available online, (<http://www.ftc.gov/bcp/online/pubs/buspubs/diplomamills.htm>) which can assist employers in identifying bogus degrees.

Educational checks are primarily used to verify high school and college name, address, dates of attendance, degrees earned and activities. Various state and federal laws protect the confidentiality of other information. If a company performs an educational check itself, it will want to verify that the school exists and is accredited by a nationally recognized accrediting agency. This can be done through the internet. The company should then contact the school registrar to obtain a verification of attendance dates, graduation and degree.

Credit and Drug Checks

Credit checks and drug checks can sometimes be controversial for employers and potential employees. Some employers use credit histories to gauge an applicant's level of reliability or responsibility. Whether valid or not, the thought is that if someone is not reliable in paying his bills then he won't be a reliable employee. Additionally, employers need to consider the level of risk to which they are exposing themselves if they have employees working in positions with financial responsibilities. In these instances credit checking is certainly desired and warranted

Vermont's drug testing laws put stringent requirements on testing. Many employers in Vermont, under the advice of their attorneys, do not conduct pre-employment or reasonable cause drug tests unless they fall under Federal laws such as those governing the transportation industries. Employers should contact their attorneys to discuss their own situations before determining if drug testing should be used.

National Standards

For employers who utilize third party vendors, The Fair Credit Reporting Act (FCRA) sets a national standard for screening that employers must follow. The FCRA defines background checks as consumer reports and sets out requirements for disclosure of information to job applicants. This ensures that applicants know that a background check is being obtained and that they are then able to contest the information if it results in an adverse action i.e. decision not to hire. There are specific steps and notifications an employer must take to comply with this law. FCRA does not apply to employers who perform their own background checks.

Employers may obtain more information than they really need through a background check and should be careful that the information they use in making an employment decision is based on business necessity and law. The bottom line in any background check is that the information obtained cannot be used in violation of any federal or state discrimination laws.



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