



**WINTER 2013**

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**Feature Story**

## The State of Background Screening in 2013

By Greg Dubecky, President



### Background Screening 2012: Year in Review

There's no question the practice of employment background screening has changed significantly over the past few years. 2012 was no exception and can arguably be considered the biggest year of change for background screening since the amendments to the FCRA in the mid to late 1990's.

### Critical Look at Background Screening Programs

In 2012 the market took more of a critical look at their background screening programs, including an assessment of their program measured against industry best practice, regulation and law. A number of contributing forces played into this trend. Most notably was the EEOC's *Guidance on the Use of Background Checks*. Many employers now understand that background screening is not solely the volume purchase of criminal record searches. Real, harmful risk exists for employers if background screening programs are improperly planned and implemented. Other realities that have heightened employers' sense of responsibility toward their programs include:

- Diminished HR staff due to the sluggish economy and every organization's need to run lean.
- Increased enforcement and legal action by the EEOC, FTC, plaintiff's attorneys, state regulators and auditors.

- Background screening is not so new a program for employers any longer, so their level of background screening knowledge is such that it allows them to think critically of their program and discern the difference between providers that meld with their strategy and culture and those that don't.
- Significant increase in legislation that governs background screening and an employer's use of background check reports.

For these reasons, we suspect that this trend will continue in 2013, and for employers who have not taken this

critical look, we highly recommend you do so.

### Screening of Contingent and Temporary Workforces

Employers paid more attention in 2012 to screening their contingent / temporary workforce than ever before. This trend is actually a result of the first trend. Upon closer scrutiny, employers have recognized more than ever the inherent risk of contingent workforces not held to the same standard as their employees. The problem is that the responsibility for screening has typically been pushed off on the staffing contractor. Because staffing is such a competitive industry where low price wins bids, some staffing contractors, empowered by their customer make the decision on the type and level of background check, may not share an employer's motivation to conduct the most appropriate background check. Employers continue to recognize this inherent risk and have incorporated contingent workforce screening into their overall screening program.

### Offshoring of Background Screening Services by U.S. Background Screening Firms

The problem with this trend is that everybody loses: the employer, the candidate and the background screening industry. So while the first two trends speak to this shift of sorts from background screening as a commodity to

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# Background Screening in 2013

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a value-add service and compliment to HR process, there are still industry players that continue to feed into the commoditized background screening model. Hope springs eternal, however; since we see many more employers ask during their sourcing process if any portion of the screening process is sourced offshore.

## **Background Check Trends You Can Expect for 2013**

The evolutionary process in some regards is slow. Technologies and solutions are developed quickly, but the market is typically slow to adopt, especially in 2012, due to an election year and the sluggish state of the economy. I suspect the first two trends will continue and actually gather momentum. Government agencies, regulators and plaintiff's attorneys have their crosshairs on background screening programs. The EEOC has been very public about its intent to strictly enforce the background screening guidelines issued April 2012, with the publicly announced fines against employers to support this. Large and small employers alike will look to protect their background screening investment by assessing their entire programs from top to bottom.

The other notable trend for 2013 is an employer's ability to leverage easily integrated technology platforms. Five years ago, buyers became interested in one-stop-shops (one provider) for all their HRO. That trend is shifting because of the maturation of the technology. Technology platforms work together today better than ever and that trend will continue. Buyers that wanted all their processes integrated into one platform, like HRIS and talent management system, were many times at the mercy of their HRIS vendor whose platform they selected. Subsequently, employers were urged to use that provider's select vendors for ancillary services like search, screening, assessment, payroll, time & attendance, etc. Now, buyers again have the power of choice. They can make their own selections instead of that decision being made for them.

# Q&A With Greg Dubecky: Changes and Trends in Background Screening



## **Q. How do you think HRO has evolved over the last 10 years?**

A. What began as merely outsourcing transactional HR work and a chance to reduce HR operating expense, HRO has now become the catalyst for HR transformation. Historically, HR has been conspicuously absent and, in some companies, devoid of influence in the executive suite. HRO has empowered HR executives to re-engineer the delivery of their services to their customers (hiring managers, employees, candidates, etc.) more efficiently thus allowing HR to think more strategically—actually solving real business challenges and finally becoming a true strategic business partner for their organizations.

In the past 10 years HRO providers have shifted the relationship they have with their customers from a traditional vendor-client relationship to operating as an extension of the HR organization they serve. At CS, we transcend operating as merely a vendor and become part of the HR organizations that we serve. We are an extension of their department. Our technology, process and service melds with our customer's culture.

HRO technology and processes have matured, creating efficiencies and driving down cost for buyers, which has led to the re-engineering of HR. This re-engineering has allowed providers like Corporate Screening to serve as partner, solving real problems and the byproduct of this has been innovation.



## **Q. What do you think the biggest change has been?**

A. The biggest change has been accessibility. HRO has matured over the past 10 years, the price of technology has decreased and is now available for the small and mid-market companies. For example, where system integrations were typically built for enterprise level buyers, the maturation of HRO and its technology now extends to mid-sized and small buyers too.

## **Q. How has M&A affected the industry?**

A. HRO markets continue to consolidate as a result of M&A activity, which means prices of HRO products and services are being driven down with fewer choices for buyers. Lower price may sound like good news for the buyer, but what will be lost is buyer value, the same value that has made HRO so appealing these past 10 years. Larger providers will leverage their size and compete on price and smaller providers will compete on service and innovation. The market has now developed a thirst for HRO service and innovation, as well as the rewards that come along with it like the ability to focus on business strategy initiatives. So the market will continue to look to quench that thirst. Combined with being better suited to adapt to the role of partner, much of the HRO innovation will come from the smaller providers in the industry, while larger providers manage their M&A's.

## **Q. How does technology change the way people do business, in outsourcing specifically?**

A. My answer to this is best explained in the first question. I will add that from a provider's perspective, as the HRO technology continues to mature, the relationship between the provider and buyer evolves / strengthens spurring client-specific innovation, it will become increasingly difficult for buyers to change HRO providers. Client specific technology products, services and workflows become a part of the buyers system-wide process and that is difficult to change.

## Compliance Corner

By Kevin Neudecker, Quality and Compliance Manager

# Should YOUR Company “Ban the Box?”

In December Pittsburgh, PA became the latest city to “ban the box.” The term refers to a practice that is becoming increasingly more popular of eliminating the question on an initial job application asking whether or not the candidate has ever been convicted of a crime. While the law enacted in Pittsburgh only affects applications for city employment, more and more private companies are considering their own “ban the box” initiative.

There are myriad reasons why companies may decide on their own to “ban the box” and chief among them is Enforcement Guidance by the Equal Employment Opportunity Commission (EEOC) released last year. While the EEOC does not explicitly advise employers to “ban the box” in their best practices, banning the box may be the most tenable way in which employers can demonstrate adherence to the guidelines. The EEOC suggests that any question regarding criminal history should be tailored to the position being filled: *“When asking questions about criminal records, limit inquiries to records for which exclusion would be job related for the position in question and consistent with business necessity.”* Customizing job applications for each position may be unfeasible for many organizations; the easier solution is to simply eliminate the question altogether.



If you decide to ask the criminal conviction question on an initial application, there are other factors to consider beside the EEOC. Consider that while most “ban the box” laws only affect city or state employment, there are some areas like Newark, NJ and the state of Massachusetts that passed laws affecting private employers. Additionally, there are several states that restrict asking candidates about certain types of crimes or about crimes that occurred a certain amount of time in the past. Monitoring evolving laws on both the state and city level for employers that hire throughout a region or the entire country may be implausible. As this trend gains traction we expect to see more laws proposed and passed that “ban the box” for both public and private employers.

Corporate Screening encourages you to take the time to review your job applications, and reminds you that we are here to assist you with any information or guidance you may need.

## Industry News

# FTC to Examine the Data Broker Industry’s Collection and Use of Consumer Data

In a press release issued on December 18, 2012, the FTC announced that it is requiring nine data brokerage companies to provide it with information on how they collect and use customer information.

The FTC would like more information about:

- The type and source of the consumer information collected,
- How this information is used, maintained and distributed, and
- How much consumer access is allowed to correct information or opt out of having their personal information sold.



The FTC plans to use this information for a study and to make recommendations as to how the industry can improve privacy

practices.

To read the press release in its entirety, visit <http://www.ftc.gov/opa/2012/12/databrokers.shtm>.

## Client Alert

# Ohio HB 487: Newly Standardized Criminal Records Checks

Many providers of home- and community-based care providers in Ohio may not be familiar with HB 487, which went into effect January 1, 2013.

Ohio HB 487 affects four state departments in regards to criminal record check and database search requirements. These are:

- Ohio Department of Aging (ODA),
- Ohio Department of Health (ODH),
- Ohio Department of Jobs and Family Services (JFS), and

- Ohio Department of Developmental Disabilities (DoDD).

If a healthcare provider has services or departments that fall under the purview of any of those state departments, their employees may be subject to these new background check requirements.

The changes to the criminal records check process include:

- Expanding the list of disqualify offenses from 55 to 130,
- A provision that background checks must be redone at least every 5 years, and

- A requirement that six databases must be searched as part of the background screening process. These databases are:

- System for Award Management (SAM),
- Office of Inspector General (OIG) list of excluded individuals,
- Abuser Registry: Department of Developmental Disabilities Abuser Registry,

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# Ohio HB 487

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- Ohio Attorney General's sex offender and child-victim offender database,
- Department of Rehabilitation and Correction's offender search, and Nurse aide registry.

If a candidate or employee appears unfavorably on any of these databases, employers that are subject to the rules of Ohio HB 487 are not able to hire or continue to employ that person.

Corporate Screening recommends that employers carefully review each state agency's rules to see which applicants and employees require criminal records checks. Bearing in mind that employees often cross train to different positions, or if you have any doubt as to whether an employee requires a background check, you may want to err on the side of caution and perform checks on all of your employees.

## CS Products

### Education Verification: Why Corroborate a Candidate's Education?

Do you remember former Notre Dame football coach George O'Leary? Five days after he was hired as the new head football coach in 2001, he was fired after it was discovered that his biography contained inaccuracies. His claims of a master's degree in education from NYU-Stony Brook University as well as lettering in football at the University of New Hampshire were untrue. Records indicated he never played football at New Hampshire and while he had two credits from NYU, he did not graduate from there.

In another famous case of misrepresenting one's education, in 2007 MIT's director of admissions resigned after it was discovered she had lied about her academic degrees when she first applied at the college in 1979 as an entry-level admissions officer.

These are just some famous examples of resume padding (or lying) where individuals were caught. Unfortunately, lying about one's education is more common than most think. People lie about the type of degree they obtained

## CS Products

### New Product: CS HealthSweep (Ohio)

HB 487 took many employers by surprise, and the new requirements add additional duties to already overburdened administrators of home- and community-based programs. To facilitate the hiring process for these employers, Corporate Screening has developed CS HealthSweep (Ohio).

CS HealthSweep (Ohio) is an exclusive, primary source search product that provides a comprehensive check of the six required databases. It quickly searches all six of the databases simultaneously, and is able to handle large, multi-name lists. All information is reviewed and positively identified with the subject of the search prior to reporting, providing employers with a complete turnkey solution that will save time and reduce al-



Contact Corporate Screening today at 800-229-8606, option 2 to learn how CS HealthSweep (Ohio) will save you time and administrative costs.



and attendance dates. Other education misrepresentations include degrees from diploma mills.

The reasons for misrepresenting education are many and vary from person to person. Often people want to pad their resumes – it may get them noticed or cover up a weakness. In times of high unemployment, it may be an act of desperation on the part of a candidate. But tough economic times or not, getting caught for lying on a resume is likely to derail one's career.

These reasons are the very reasons why employers need to corroborate that the education information the applicant presents is true. Verifying the candidate's educational claims is a way to protect an employer's assets and reputation. Negligent hiring lawsuits result from hiring an unqualified employee who lied about his or her education, experience or other background claims during the hiring process. An organization's reputation may also be damaged by employees who misrepresent their education.

Some employers believe that requiring transcripts and/or diplomas is sufficient to verify a candidate's educational claims. Unfortunately, the proliferation of diploma mills and companies that produce "novelty" diplomas makes verifying education by using transcripts and diplomas insufficient. An internet search using the search term "novelty diplomas and transcripts" produced 1,260,000 results, with most on the first page trumpeting the realistic, detailed, high quality properties of the fake products. Corporate Screening verifies the candidate's educational information by contacting the school directly, and reports attendance dates, course of study, degree and graduation date when made available by the school. If an educational institution is closed or defunct, we attempt to obtain verification. CS's professional staff can identify diploma mills and phony accrediting agencies not recognized by the U.S. Department of Education. The information gathered will be reviewed, analyzed and included in the comprehensive report you receive from Corporate Screening.

# VerifyStudents Corner: News and Information

## VerifyStudents News

### Why Student Background Checks Matter

Sometimes people question why student background checks matter. One reason why student background checks are important has to do with meeting hospital requirements. In 2004, the Joint Commission issued guidelines that required students to undergo criminal background checks if required by state law, regulation or hospital policy. This is now standard policy for most clinical sites. Allied health program administrators often have to juggle multiple background check requirements, as clinical sites and hospitals may have differing requirements for student background screening. VerifyStudents™ by Corporate Screening is the cure for what ails and is the industry's leading solution for student background checks. Corporate Screening account representatives will review each clinical site's requirements and work with you to set up a student background program that will meet these needs.

Student background checks are a benefit to students as well. Many students think that records were automatically sealed or expunged. Student background checks can reveal these records to otherwise unknowing students, affording them the ability to seal or expunge eligible criminal histories. Additionally these background checks help them avoid entering and paying for a curriculum or profession that prohibits candidates with criminal histories that they may possess.

Students are not without recourse in the event that a criminal record check comes back showing a conviction. They are allowed by law to examine the report, and can dispute any negative findings in it.

Questions about VerifyStudents? Contact us at 800-229-8606, option 2 for more information about student background checks, immunizations tracking and paperless drug screening.

## VerifyStudents Products

### ImmuniTrax™: Easily Managing Student Immunization Records

How does your school handle student immunization tracking? Are you doing it manually, using a spreadsheet, or an unsophisticated solution from a competitor? Program directors know that tracking student immunizations is a time consuming process. ImmuniTrax™ is our exclusive web-based immunization tracking and compliance system. It provides Allied Health programs with a tracking solution that reduces valuable administrative time and helps reduce costs.

ImmuniTrax™ offers unique features that include:

- Tracking the progress of immunization submission, from initial login to final approval
- Expert review of forms submitted by students, ensuring validity and that the forms meet clinical site requirements
- Automated compliance reminders track the progress of series-based immunizations and immunization expiration dates.

You provide the requirements and ImmuniTrax™ will take it from there. Students download, submit and track the

status of their forms. All documentation is securely uploaded and stored for tracking, review and ongoing program management.

Ensuring compliance with campus hospital and state health regulations, and exceeding HIPAA and FERPA requirements, ImmuniTrax™ is the most comprehensive student immunization tracking tool available.

**Contact us at 800-229-8606, option 2 for more information about ImmuniTrax™.**

### ImmuniTrax™ Features and Benefits:

- Secure online portal, HIPAA-compliant, protects personal information.
- Easy to use for both students and administrators.
- Reduces administrative process time by 30 percent or more for program administrators.
- Secure messaging between ImmuniTrax™ administrators and students.
- 24/7 hosting and technical support, including training, phone and email support.

## CS News

### Welcome New Customers

Corporate Screening would like to greet all of our new customers who have recently come onboard! We'd like to extend a warm welcome to:

- ◇ Columbus State (Office of Student Conduct)
- ◇ Cambridge Junior College
- ◇ Olympic Steel, Inc.
- ◇ Compel Fitness
- ◇ Stevens Henager College

- ◇ University Healthcare Alliance
- ◇ Gurnick Academy Fresno Campus
- ◇ Nuveen Investments
- ◇ Anchor Medical Staffing
- ◇ Heartland Payment Systems
- ◇ Janitorial Services, Inc.
- ◇ Maxim Staffing Solutions
- ◇ Laboure College
- ◇ Premier Staffing Professionals
- ◇ European Courier Services
- ◇ Watson Quality Ford



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