

# The PI Company's Safe Hiring Tools for Employee Screening

Employee background checks have become a necessary and vital step in protecting businesses from legal and financial pitfalls. Through the implementation of our best practices, The PI Company can assist your organization in setting-up and managing a successful and compliant screening program.

## Safe Hiring Tool # 1 — Pre-Employment Screening

It is estimated that nearly 10% of job applicants have criminal conviction records relevant to the hiring process (HR.com). No matter how large or small, background screening will help you reduce risk and avoid legal proceedings for your business. You may also find insurance providers offer discounts on coverage for implementing background checks.

- **Best Practice** – While a Criminal Check is obvious, what about other relevant information? Do you need to know the Finance Director's credit history? What about sales reps and their driving history if given a company car? Don't forget to consider these searches as well:
  - Credit Report
  - Motor Vehicle Records
  - Commercial Driver's License Search

## Safe Hiring Tool # 2 — Utilize a Nationwide Criminal Search

It is estimated that nearly 60 million Americans have a criminal record (Bureau of Justice). To complete a comprehensive criminal search, it is important to check not only the county and state where the applicant has lived, but also the county and state where the applicant was employed and went to school. A nationwide criminal search will help you cast a wider net allowing you to scan millions of records in a matter of seconds.

- **Best Practice** – Use a nationwide criminal report that includes a SSN trace with validation along with an address history trace. This will allow you to verify and validate the applicant's true identity, helping uncover known aliases and addresses the applicant may be hiding because of a criminal past.

## Safe Hiring Tool # 3 — Verify Employment

Roughly one-third of all resumes contain some kind of a misrepresentation in terms of employment history, education or experience, so it is crucial to verify a candidate's credentials either by phone or more efficiently through The Work Number®. 21% of all applicants are dropped from hiring pools after reference checks (Workforce.com).

- **Best Practice** – Verifying employment, direct from the employer, is the gold standard to help prevent fraud. Utilizing a third party verifier,

like The Work Number®, is the most efficient means of accessing previous employer information to help reduce fraud or bogus information provided by the applicant.

## Safe Hiring Tool # 4 — Screen Consistently

Be consistent to avoid liability or legal action from a prospective or current employee. Establish a standard, mandatory screening policy for every employee. This will protect your organization by ensuring company-wide compliance set out by the Fair Credit Reporting Act (FCRA) and other state and industry-governing bodies.

- **Best Practice** - Keep in mind, however, that different job titles may require different checks. It is critical that the policy be clear for each department or employee type. In addition, look for a background screener that is a member of the National Association of Professional Background Screeners (NAPBS) and whose staff is FCRA Certified.

## Safe Hiring Tool # 5 — Assure Fair Credit Reporting Act (FCRA) Compliance

A recent class action settlement for \$5.9 million reinforces the need for employers to review background screening forms and procedures to ensure compliance with federal and state laws.

Remember, the FCRA is not limited to just credit reports but also covers public records, criminal records, driving records, and other information.

- **Best Practice** – 4 Mandated FCRA Compliance Steps:
  - 1. Employer Certifications** – The employer must certify in writing to a screening provider they:
    - Will follow the FCRA rules concerning disclosure, authorization, notice and adverse action notices.
    - Will not use information in violation of any state or federal discrimination laws.
  - 2. Disclosure & Authorization** – Must contain:
    - A clear and conspicuous disclaimer to the consumer in writing, in a standalone document, that a consumer report may be obtained for employment purposes.
    - The consumer's signed authorization.
    - The document "A Summary of Your Rights Under FCRA."
  - 3. Pre-Adverse Action Notice** – Before taking adverse action, the employer must provide the consumer with:
    - A copy of the consumer report.
    - A summary of the consumer's rights under the FCRA.
  - 4. Post-Adverse Action Notice** – Employers must:
    - Provide notice of the adverse action to the consumer.



- Provide the consumer with contact information for the CRA that prepared the report.
- Provide the consumer with the document "A Summary of Your Rights Under the FCRA."

The PI Company is an industry leader and pioneer in risk management solutions for employment screening. The PI Company's wide range of online screening products deliver instant access to nationwide criminal reports, credit reports, driving records and employment verification, helping improve efficiency, diminish costs, and manage risk.



FOR MORE INFORMATION

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