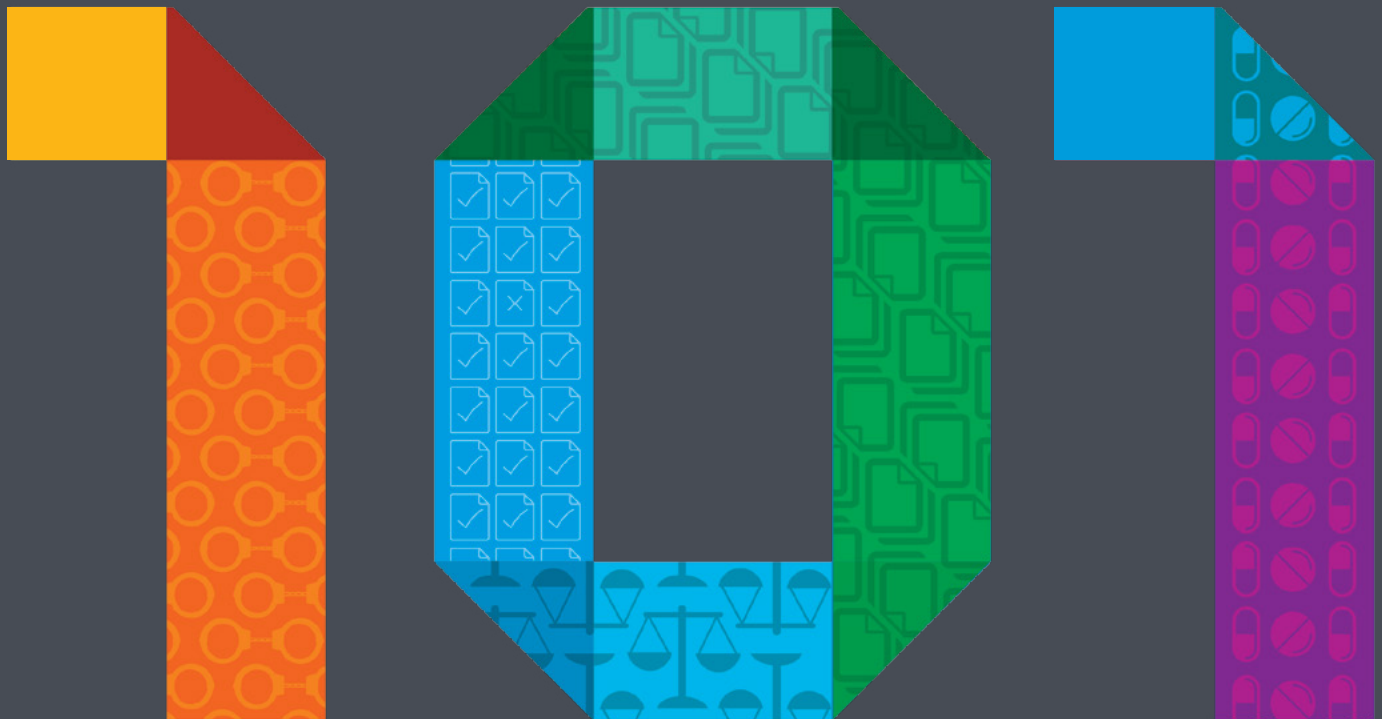


# Background Screening 101

A Sterling Talent Solutions eBook



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## Chapter 1: Criminal Record Checks Unplugged

Every time a new employee is hired, your company makes an investment in human capital. Just as you thoroughly research and vet financial investments, the same degree of due diligence should be taken when screening potential employees. According to the Bureau of Justice Statistics, there are [92 million individual criminal offenders](#) located in State criminal history repositories across the country<sup>1</sup>. Surely some of them are currently job hunting. That's why [nine out of 10 employers conduct criminal record checks](#) on job applicants, according to the Society for Human Resource Management<sup>2</sup>.

Whether you are new to the background checking process or a seasoned veteran, there are constantly new methods and tools available to improve your process and results. Every organization has a different approach and preference when it comes to mitigating risk and conducting criminal record checks. However, one thing is certain, criminal record checks are the anchor of most background checking programs, and employers in all industries are always looking for ways to get the most comprehensive picture of their candidates.

### Crime Is Where the Home Is

A good place to start your investigation is with a Social Security Number (SSN) trace. The SSN trace will reveal your applicant's address history and any potential or relevant aliases. Aliases often include maiden names, nicknames, misspellings and transliterated names.

The information reported in an SSN trace is typically based on data provided by major credit bureaus. For example, when a consumer applies for a credit card or opens a new utility account, they must provide certain [personally identifiable information \(PII\)](#)<sup>3</sup> to the financial institution or government agency. This information is then recorded

and stored by the credit bureau. The purpose of personally identifiable information is to distinguish individual identity. Some of the data collected includes full name, gender, address, date of birth and social security number; however, there are many other types of PII too.

The SSN trace is the foundation of your background check, and it also happens to be one of the most cost effective searches that can be run. There are several screening tools you can add to an SSN trace to locate more criminal records and enhance your search, but it lays the groundwork for narrowing down where and how to execute your search.

Once the SSN trace has been conducted, you'll have a list of residential jurisdictions where you can focus your search efforts. While not all crimes take place within an offender's neighborhood, if your applicant has committed crimes in the past, it's likely that they occurred close to home.

For the most thorough criminal record check available, you'll want to conduct court searches at the county, state repository and federal district level for all residential jurisdictions. As an industry best practice, your search should go back as far as your state legally allows. By default, criminal convictions may be reported indefinitely, which is based on the Fair Credit Reporting Act (FCRA). But it's not that clear-cut. Many states have legislation that overrides the FCRA and may result in shorter time frames that often restrict the reporting of information to seven years. You can learn more about compliance and the FCRA in Chapter 2.

### Go National or Go Home

Using the SSN trace is an industry best practice, but when you rely on only one source, you put your organization at risk. Even this industry best practice leaves gaps, which is why you should take measures to improve your background checks with an Enhanced Nationwide Search. Nationwide criminal databases are popular tools in background screening largely due to their economical price and the bang you get for your buck.

<sup>1</sup> "Survey of State Criminal History Information Systems, 2008." Bureau of Justice Statistics, 2008. Web. 21 August 2014. <<https://www.ncjrs.gov/pdffiles1/bjs/grants/228661.pdf>>.

<sup>2</sup> "When Background Screens Turn Up Criminal Records" Society for Human Resource Management, 2014. Web. 21 August 2014. <<http://www.shrm.org/hrdisciplines/safetysecurity/articles/pages/background-screens-criminal-records.aspx>>.

<sup>3</sup> "Personally Identifiable Information" Wikipedia, n.d. Web. 21 August 2014. <[http://en.wikipedia.org/wiki/Personally\\_identifiable\\_information](http://en.wikipedia.org/wiki/Personally_identifiable_information)>.



These private databases contain millions of records from jurisdictions all over the country. They are a mixed bag of data with some states boasting excellent coverage, while others have nearly non-existent coverage. The details you get from a nationwide criminal database search include courthouse data, department of corrections records, most wanted lists, outstanding warrants and arrest records.

The nationwide database will help you expand your search beyond the applicant's neighborhood into other areas where they may have worked, socialized, or vacationed. Let's face it – criminals are not confined to their own streets.

When coupled with the SSN trace, the nationwide database delivers a more comprehensive background search and provides additional areas to include in your investigation. Like the SSN trace, there are risks involved when using it as a standalone search. Nationwide databases are not comprehensive and the data can be inconsistent. In some cases, you may get full details, and in others, you could be missing important information such as the disposition, final outcome of the charge or other relevant cases. The data is not updated in real-time, but rather at the convenience of the jurisdiction or reporting organization. Despite these flaws, nationwide databases are valuable as locator tools and add considerable value to background checks due to their wide scope. Any criminal records found in these types of database searches should always be re-verified at the primary source, (e.g., getting confirmation of the details through a county search.)

Finally, you can pair up an SSN trace and nationwide criminal database with the victim notification database for even greater coverage. The victim notification database will alert you to any arrest records that are outside any database searches or the applicant's address history. These flags can help you dig deeper to uncover potential crimes.

### Location, Location, Location

Unfortunately, there is no such thing as an all-inclusive and completely comprehensive background check. Your organization will always have some risk in its hiring program, but you can mitigate that risk by conducting the most thorough background check possible on all of your prospective employees.

With over 3,200 jurisdictions in the United States, searching every one of them is simply not an economical or logical option. The secret to conducting a thorough criminal record check is location – or uncovering the right places to search. The more locator tools you use, the more comprehensive your background check will be. When combined, complementary locator tools provide more value than if they were to be used alone.

Based on our experience, when you combine the SSN trace with nationwide criminal databases and the victim notification database, you can locate up to 15% more criminal records than if you were to use a standard SSN trace. The bottom line is you'll miss 100% of the records you don't search for. Give your criminal record checks a boost by adding more locator tools to your arsenal.

## Chapter 2:

# Cracking the Regulatory Riddle

Just like credit reports, background checks revolve around personal information that can result in negative reports that have unfavorable outcomes for job applicants. For these reasons, there is legislation in place to protect the rights of applicants and ensure that the information in the background check is both accurate and legally reportable.

Many background searches are based on a person's name that can generate results that do not belong to the applicant in question. The more common the name, the more likely there will be unrelated or duplicate data retrieved. These records are typically ruled out by comparing other personally identifiable information (PII) such as date and place of birth. With the U.S. population reaching over [318 million](#)<sup>4</sup> people, there is always going to be a risk of misidentification. But rules exist to protect the applicant, providing a way to dispute the process and correct any mistakes.

The main piece of legislation that governs background checks is the [Fair Credit Reporting Act \(FCRA\)](#)<sup>5</sup>. But don't let the name of the law fool you as it applies to much more than just credit reports. In fact, it governs any and all information reported to employers by background screening providers, who are referred to as Consumer Reporting Agencies (CRAs).

A background check is considered a "consumer report" or "investigative consumer report" depending on the type of information. The FCRA requires employers to take defined steps, including notice and consent, before obtaining a background check. The FCRA also stipulates the specific process that must be followed when an employer takes an adverse action against an individual, e.g., not hiring them, terminating their employment or denying a promotion.

The legal landscape of the background screening industry is always evolving, and many states have enacted their own legislation to regulate the use of background checks for employment purposes. Some of the most hotly debated topics of recent years are discussed below.

## Ban the Box

You've probably heard about states – and even cities – adopting or considering "Ban the Box" laws. These laws prevent employers from including a check box on a job application that asks if the applicant has been convicted of a crime. The purpose of these laws is to give individuals with a criminal record a fair chance at interviewing for a position. On the flip side, [many business owners are opposed](#) to these laws and argue that they should be allowed to consider criminal record information because it is a matter of public record<sup>6</sup>. In actuality, "Ban the Box" laws don't prevent employers from running a criminal record check later in the hiring process once the candidate has been interviewed or is actively being considered for a position.

Whatever your opinion about "Ban the Box," there are several municipalities and entire states that have passed the law, and more are expected to pass it in the future. Employers must educate themselves on the laws within their jurisdiction, and they may consider removing the criminal conviction question from their application form altogether.

## Credit Reports

Another controversial background screening issue that has America divided is credit reports. The Equal Employment Opportunity Commission (EEOC) opposes the use of credit reports for employment purposes, because they believe it unlawfully discriminates against African-American, Hispanic and male applicants who are statistically more likely to have a negative report. However, employers and industry experts form the other side of the argument, because they believe the information contained within a credit report can be valuable in certain situations.

One thing that all parties can agree on is that credit reports should not be used carelessly. Before ordering a credit check on a job applicant, employers should question whether or not it is truly necessary. A credit check is only recommended in cases where the employee will have direct access to cash or other assets, or for senior level positions that carry financial responsibility.

4 "U.S. and World Population Clock" United States Census Bureau, n.d. Web. 21 August 2014. <<http://www.census.gov/popclock/>>.

5 "Fair Credit Reporting Act" Federal Trade Commission, 2012. Web. 21 August 2014. <<http://www.consumer.ftc.gov/sites/default/files/articles/pdf/pdf-0111-fair-credit-reporting-act.pdf>>.

6 "Ban the Box: More States and Cities Help Ex-Cons Finally Land Jobs" NBC News, 2014. Web. 21 August 2014. <<http://www.nbcnews.com/business/economy/ban-box-more-states-cities-help-ex-cons-finally-land-n124151>>.

The second thing you need to consider is the existence of any laws in your state that apply to using credit reports as part of your background screening policy. Over the past few years, several states have enacted legislation that regulates when and how credit information can be used.

## Class Action Lawsuits

The EEOC has launched several class action lawsuits against employers on the grounds of discrimination due to background screening policies. In *EEOC v. Pepsi*, a \$3.1 million settlement was reached when it was discovered that the company had a policy that excluded applicants with “arrest only” records. While some of the class action lawsuits have ended in settlements, many cases have also been dismissed.

In two similar cases, *EEOC v. Freeman* and *EEOC v. Kaplan Higher Education*, the plaintiff alleged that the employers’ use of background checks – namely criminal and credit checks – had a disparate impact on applicants of a specific race. In both cases, the judges dismissed the allegations due to a lack of evidence and the failure of the EEOC to prove their claims.

When it comes to background screening, the best way to stay out of court and off of the EEOC’s radar is to consult your legal counsel and educate yourself on your legal responsibilities under the FCRA and legislation in your municipal and state jurisdictions. It is also advisable to familiarize yourself with the EEOC, understand their objectives and [follow their guidance](#)<sup>7</sup> when writing your screening policies.

## EEOC Guidance on the Use of Criminal Records

The EEOC is a government agency that is responsible for enforcing laws that prevent discrimination in the hiring process. The EEOC has weighed in on the use of criminal records, documenting concern that the records put certain races at an unfair disadvantage due to higher incarceration rates. According to the EEOC, employers should not have a blanket policy that denies anyone with a conviction from

gaining employment. Instead, it is recommended that employers conduct an individual analysis and dialogue with the applicant regarding the conviction in order to make an employment decision.

The assessment regarding whether or not the conviction is relevant should include:

- The facts and circumstances surrounding the offense
- The number of offenses for which the individual was convicted
- Age at the time of conviction or release from prison
- Evidence that the individual performed the same type of work, post-conviction, with the same or a different employer, without incidents of criminal conduct
- The length and consistency of employment history before and after the offense
- Rehabilitation
- Employment or character references and other information regarding the individual’s fitness for the particular position
- Whether the individual is bonded

Another helpful piece of advice for employers is to [ensure that all job applicants are treated equally](#)<sup>8</sup>. You cannot pick and choose which applicants undergo a background check as it could lead to discrimination claims. The bottom line is that you should have a comprehensive background screening policy in place – and then you need to follow it.

Staying informed about changing employment laws is important for many reasons. The rules surrounding background checks change constantly, and it can be challenging to stay on top of them all. The best way you can maintain compliance is to seek advice from your legal counsel on the specific regulations that apply to your company based on your industry and the location where you operate.

<sup>7</sup> “Background Checks: What Employers Need to Know” Equal Employment Opportunity Commission, n.d. Web. 21 August 2014. <[http://www.eeoc.gov/eeoc/publications/background\\_checks\\_employers.cfm](http://www.eeoc.gov/eeoc/publications/background_checks_employers.cfm)>.

<sup>8</sup> “EEOC, FTC Issue Best-Practice Guidance on Background Checks” Society for Human Resource Management, 2014. Web. 21 August 2014. <<http://www.shrm.org/hrdisciplines/safetysecurity/articles/pages/eeoc-ftc-guidance-background-checks.aspx>>.



## Chapter 3:

# Breaking Bad Drug Habits in the Workplace

According to the [2012 National Survey on Drug Use and Health](#), 8.9% of full-time employees and 12.5% of part-time employees are illicit drug users. In fact, the survey showed that 67.9% of illicit drug users aged 18 or older are employed.<sup>9</sup>

### Employee Substance Abuse is Pricey

The costs associated with employee substance abuse quickly accumulate for employers. The financial impact on businesses include reduced productivity, lower morale, higher absenteeism rates, employee theft and injuries or fatalities in the workplace. The National Council on Alcoholism and Drug Dependence estimates that drug abuse costs employers \$81 billion every year.<sup>10</sup>

Recognizing the costly effects of substance abuse in the workplace, employers routinely rely on drug testing to help weed out illicit drug users from their hiring pool, and deter current employees from participating in drug use on the job. By implementing a compliant drug-free workplace program, organizations can protect themselves from the negative effects of employee drug use.

### The Drug Testing Cocktail: Types, Panels and Programs

There are several methods for drug screening, including testing urine, oral fluids and hair for traces of illegal substances. Each option offers benefits, and your screening provider can help determine which method is best for your applicant pool and organization.

Urine testing is the most popular method and can detect recent use up to 7 days. Oral fluid testing uses saliva to test for drug use within the past 24 to 36 hours. Hair testing provides employers with a much longer history of up to 90 days, and can identify habitual patterns of regular drug users.

If you are new to drug testing, you might be wondering which drugs the tests include. Drug testing is typically administered by a “panel”, which is a bundling of common drugs of abuse. For example, urine testing is typically five, seven, nine or ten panel, depending on the provider. Saliva and hair testing are usually five or six panels depending on the provider. A panel, therefore, refers to the drugs or analytes being tested for, and can include:

- Amphetamines and Methamphetamines
- Cocaine Metabolites
- Marijuana Metabolites
- Opiates
- Phencyclidine
- Barbiturates
- Benzodiazepines
- Methadone
- Propoxyphene

Drug testing also requires a “chain of custody” form, which establishes a paper trail for tracking and maintaining the integrity of the specimen and the testing process.

Most drug screening providers offer both laboratory and on-site testing, which can be used in different situations. Many employers use laboratory-based testing for pre-employment (new hires) and post-hire situations, such as reasonable suspicion, post-accident, and random selection. Some employers also opt for onsite testing, which could include use of a self-administered instant testing device, or, having a qualified collector come to the employer’s premises to collect specimens for testing.

Terminology can also trip up employers who are new to drug screening. Typically, a “positive” result means that illicit drugs were found in the specimen, and a “negative” result means that no substance included in the employer’s testing panel was found. A “negative” result can also be reported when legal use of a detected substance has been determined. However, there are also instances when a “positive” result can be reported without the individual having taken any drugs. As an example, if an individual consumed poppy seeds, their drug test may be positive for opiates.

<sup>9</sup> “Results from the 2012 National Survey on Drug Use and Health: Summary of National Findings.” Substance Abuse and Mental Health Services Administration, 2012. Web. 05 November 2014. <<http://media.samhsa.gov/data/NSDUH/2012SummNatFindDetTables/NationalFindings/NSDUHresults2012.pdf>>.

<sup>10</sup> “Drugs and the Workplace.” National Council on Alcoholism and Drug Dependence, Inc., n.d. Web. 21 August 2014. <<http://ncadd.org/learn-about-drugs/workplace/242-drugs-and-the-workplace>>.

As a best practice, “non-negative” laboratory results should be reviewed by a Medical Review Officer (MRO) to identify potential false positives, legal use of substances, and if there may have been an attempt to cheat a drug test.

## Pre-Employment Drug Testing

Because substance abuse can be depressingly expensive for employers, many have adopted drug testing as a precautionary part of their pre-employment screening program. Pre-employment drug testing is usually conducted after a conditional offer of employment has been made to the applicant. This saves the employer money by not testing applicants too early in the process, and is also more aligned with EEOC requirements.

## Random Drug Testing

For companies with workers performing “safety-sensitive” or “at-risk” work functions, random drug testing is strongly recommended. In fact, federal regulations mandate random drug testing for such workers. Some of these industries might include aviation, public transit or those involved in the handling of hazardous substances. Many non-regulated employers also use random testing.

Random drug testing is unannounced and is effective as a deterrent for occasional or habitual drug users. Since employees would have no notice of when a random drug test will be administered, this instills the deterrence factor that a random selection and testing program looks to achieve. Further, as with all post-hire testing, opportunity to cheat will be minimized provided the employee is instructed to proceed immediately for testing, or, is escorted to the test site.

As a best practice and to prevent claims of discrimination or inequality, employers should use a drug screening provider who uses random selection software. In addition to random selection from a pool of random-eligible employees submitted by the employer, some software also has the ability to retain and manage the employee pool directly, thereby automating the selection process even further.

## Reasonable Suspicion

One-off situations where the employer may have reason to believe that an employee is under the influence of drugs or alcohol while on the clock is called “reasonable suspicion” or “probable-cause” drug testing. Supervisors or managers responsible for ordering the drug test should be thoroughly trained on what to look for and when the test is appropriate.

## Post-Accident

Employers can also test for drugs or alcohol following a workplace accident. For post-accident testing, a policy should be established to ensure that the testing is objective. The test should be conducted as quickly as possible following the accident, which is actually specified for federally-mandated testing. Further, urine or oral fluid testing is recommended in order to best determine recent use.

## Return-To-Duty

Many employers conduct return-to-duty testing after an employee has completed substance abuse rehabilitation following a positive drug or alcohol test. Some employers also conduct return-to-duty testing for any employees who have not been working for an extended period of time.

## Follow-Up

Following the successful completion of a return-to-duty drug test, a substance abuse professional may refer the employee for follow-up testing. Follow-up testing is required for a federally-mandated testing program, and generally requires a minimum of six follow-up tests within 12 months following return to the performance of federally-regulated work functions. In such an instance, the substance abuse professional can extend the follow-up testing up to five years.



## Chapter 4:

# Putting Falsified Résumés to the Test with Verifications

With an increasingly competitive job market, applicants are searching for ways to edge each other out. Unfortunately for hiring managers and recruiters, one of the most common techniques is to give their résumé a makeover using fake information. In fact, [53% of résumés and job applications contain falsifications](#).<sup>11</sup> Falsification can occur in many forms, and some applicants might prefer to give it another name — padding, embellishing, exaggerating, stretching the truth or downright lying. It's all bad news when it comes to trying to narrow the candidate pool and land your company's next superstar.

So how do you separate the fabricated from the fantastic? Unless you have a built-in lie detector, relying solely on your gut feeling isn't going to cut it. Thankfully, this is where the use of verifications services can make an impactful difference. Employment verifications help you clear up any misinformation reported by your applicant regarding their experience. Verification of education, professional licenses and credentials gives you the confidence that your applicant meets the educational criteria for the position. By using these services, you can also identify gaps in employment or education if needed.

### Liar, Liar, Résumé On Fire

Oh the résumé — the one-page applicant brag book designed to showcase skills, experience and track record. It's the first and sometimes only thing a potential employer looks at before making a decision whether or not to advance the candidate to the next stage of the hiring process. When a document holds that kind of power, it's no wonder that desperate job seekers fudge some of the facts.

When it comes to past employment, some of the most common areas for applicants to embellish or flat-out falsify information are job titles, responsibilities, start date,

end date and salary. In some cases, candidates have been known to blatantly fabricate past experience to cover up a period of unemployment.

The best way to determine if your applicant was actually the company receptionist, and not the hot shot Head of Something they claimed to be, is through an employment verification. The purpose of an employment verification is to validate the factual information contained on a job application or résumé. Unlike reference checks, employment verifications are conducted by contacting the past employers' human resources or payroll departments. In larger companies, it's common that these people have never even met the candidate. This prevents personal bias or subjective comments from seeping into the conversation.

Other information sometimes captured in an employment verification includes confirmation of salary, the reason that the candidate left the company and whether or not they are eligible for re-hire. These can be tricky topics as it leaves room for non-factual responses, so it's important that your screening provider sticks to the facts. Once non-factual information is reported, the background check becomes classified as an "investigative consumer report" under the Fair Credit Reporting Act (FCRA), which has different legal requirements that must be followed.

### A Lesson in Schooling Dishonest Applicants

If the position you're hiring for requires a certain level of education or a license to practice, you should invest in an education verification from an experienced screening provider. Some applicants will claim a higher grade point average or honors. In more serious cases, they will claim a higher level of education than they actually received. For example, they might claim to have a bachelor's degree, but never actually finished the program.

Job seekers have become more resourceful, and with modern technology at their fingertips, the lies can stretch beyond the résumé. Degree certificates can be doctored with some basic software and a printer — and there are some good fakes out there.

<sup>11</sup> "The Dishonest Tradition of Fudging the Facts on a Résumé " Grad School Hub, n.d. Web. 28 August 2014. <http://www.gradschoolhub.com/resume/>.



Even more worrisome for employers is the abundance of diploma mills. A degree from a [diploma mill](#) is a degree that is purchased — usually for a flat fee — and requires very minimal or sometimes absolutely no actual course work<sup>12</sup>. And unfortunately, it's not just the employer who's being duped. In many cases, the job seekers themselves believe they have a legitimate degree and don't realize that the institution they obtained it from wasn't accredited.

Other applicants may have intentionally purchased a fake degree, and this is where the verification process can get tricky. Some diploma mills also offer fake verifications to make the educational institution appear legitimate. These types of diploma mills have professional-looking websites complete with photos of the facility, students and an actual address. When you call the switchboard, you are transferred to student records. After obtaining the student number and degree details, they will tell you that your applicant does indeed have the education they claim to. The problem is that it's all a hoax. From the certificate to the website, and the registrar representative answering the phone, it's all bogus and can be purchased for a couple hundred dollars.

Professional background screening companies maintain a database of legitimate educational institutions as well as known diploma mills to immediately identify them during an education verification. Additionally, when an experienced background screener comes across an institution that is not known to them, they confirm that it is in fact accredited.

Education verifications typically confirm the type of degree, the date that it was obtained and any honors on record. In some cases, you can also get verified GPA or obtain copies of the applicant's transcripts. In addition to post-secondary education, you can verify certifications and licenses. These types of verifications typically confirm that the applicant is actually certified or licensed and that he or she is a member in good standing.

### Don't Take a Résumé at Face Value

Hiring an employee requires a lot of time and money, so do your due diligence with employment and education verifications. Selecting the wrong applicant based on falsified experience or credentials can be a costly mistake and result in negligence lawsuits, bad PR, and at the very least, poor performance. Sometimes the applicant with the perfect amount of experience and education really is too good to be true. And if everything checks out and your applicant's résumé contains only the truth, then at the very least you've got the peace of mind on file to back up your hiring decision.

<sup>12</sup> "Diploma Mills " Federal Trade Commission, n.d. Web. 29 August 2014. <https://www.consumer.ftc.gov/articles/0206-diploma-mills>

## Chapter 5:

# Forming a Friendlier Relationship with Form I-9

Unless you are brand new to recruiting and hiring, you are probably familiar with Form I-9 and the employers' responsibilities that come along with it. Completing the Form I-9 can be an arduous process if you're still relying on pen and paper. According to an internal Sterling poll, an overwhelming 60% of employers have yet to convert to electronic I-9 forms. However, there are now services available to streamline your Form I-9 process which will reduce the completion time down to mere minutes while substantially increasing your compliance level.

The purpose of [Form I-9](#) is to verify employment eligibility of the new hire.<sup>13</sup> This prevents unauthorized workers from gaining employment in the United States. Employers are required by law to follow specific procedures for completing Form I-9 and they face both [civil and criminal penalties if the document is not completed properly](#) or they knowingly employ unauthorized workers.<sup>14</sup> It is important to be aware that filling out the I-9 form improperly is a finable offence whether or not the workers you hire are authorized to work in the U.S.

There are three sections to the I-9 Form. The following is an overview of the requirements and obligations for each section.

### Section 1: Employee Information and Attestation (Completed by the New Employee)

Section 1 of Form I-9 is the Employee Information and Attestation. This section is to be completed by the new employee once they have accepted the job offer. Section 1 must be fully completed and signed no later than the first day of employment. Although it might be easier to have an applicant complete the form when they come in for an interview, employers are prohibited from asking

an individual to complete Section 1 before the job has been accepted. This is to prevent discrimination and protect the rights of the newly hired employee. Section 1 contains information regarding the new employee's personal information, such as legal name, address, birth date, Social Security Number (SSN) and contact information. Additionally, it collects information regarding their employment status or eligibility. It is considered illegal discrimination if an employer refuses to hire someone with a work permit that will expire in the future.

### Section 2: Employer or Authorized Representative Review and Verification (Completed by the Employer)

Section 2 is to be completed by the employer or an authorized representative of the company. The employer may begin Section 2 as soon as the new employee has completed Section 1. Section 2 must be completed within three business days from the new hire's first day of employment.

Section 2 requires physical examination of the new hire's identity documents. The employer may not suggest or dictate which documents are provided. Employees may provide any documents that are noted on the Lists of Acceptable Documents on the last page of the Form I-9 package. They may provide one piece of identification from [List A](#) or a combination of two pieces of identification, one from [List B](#) and one from [List C](#). Over and under documentation is a common error when completing section 2 of the paper I-9 form, so proper procedures and training are important.

When an employer or authorized representative is examining the documents, they must check that the documents appear to be genuine and that they belong to the new employee. The same individual must sign Section 2 to certify that they have completed the physical document examination.

<sup>13</sup> "Instructions for Employment Eligibility Verification" U.S. Department of Homeland Security, 2013. Web. 03 September 2014. <<http://www.uscis.gov/sites/default/files/files/form/i-9.pdf>>.

<sup>14</sup> "Best Practices for Form I-9 Compliance" HR Professionals Magazine, n.d. Web. 03 September 2014. <<http://hrprofessionalsmagazine.com/best-practices-for-form-i-9-compliance>>.

### Section 3: Re-Verification and Re-Hires (Completed by the Employer)

Section 3 is used for instances such as employee name changes or re-hiring or re-verifying an individual. For example, section 3 may be used if an employee is re-hired within three years of the date on the original Form I-9. Alternatively, the employer may opt to complete a new form. Re-verification is required when a new hire's employment authorization has an expiration date. The re-verification must be completed on or before the expiration date.

### Taking the "Paper" Out of Paperwork

Don't let the long list of rules and regulations for Form I-9 overwhelm you. While the government's [M-274 handbook](#) for completing Form I-9 is over 70 pages long, there are low-cost solutions available to automate and simplify the process into an easily managed task that will only take minutes out of your day — instead of hours or even days. And best of all, many of these services are fully electronic, so the stack of Form I-9's on your desk will never be seen again.

Form I-9 services can be bundled in with your background screening program. However, there are many different types of services in the market, so ensure that you do your research to find what will work best for your organization. The first thing to look for is the ability to complete Form I-9 electronically, including an e-signature. This will make the process much more user-friendly for both your hiring team and the new employee. It eliminates the need for printing, scanning, saving, sending, and so on. If off-site hiring and orientation is a common practice for your organization, you can also look at services that provide mobile options where you and your new employees can complete Form I-9 using tablets or smartphones. This is especially useful when your recruiters have to travel out of their office to events such as hiring fairs or new store openings.

You'll also want to look at the nature of your hiring as it may affect which options you need from a provider. For example, if you ever hire remotely, you know that trying to get Form I-9 completed compliantly can be very difficult and costly because you or an employer representative have to physically examine the documents. Relying on paper forms may also result in courier costs to transport the document

back and forth. Even if remote hiring is a rare occurrence, you'll want a provider who has access to a large network of authorized representatives, such as notaries, who can act on behalf of your company. Some providers make arrangements with their notary network to have them drive out to meet the candidate in order to reduce the hassle so confirm whether or not this is an option when vetting potential providers. The candidate experience is important so you don't want to ask your new talent to take a road trip just to satisfy Form I-9 requirements.

There are approximately 200 errors that can occur on the I-9 form so another "must-have" feature is the use of error checking algorithms to prevent human error. This will flag errors that you may not have noticed in a paper process so they can be corrected before each section is completed. With 68% of audited paper I-9 forms found to contain an error,<sup>15</sup> think of it as your built-in expert proofreader. It can save you time and give you increased peace of mind that your Form I-9's are completed properly.

If you have already filed paper forms for existing employees, some services also include storage and management options so you can upload them in a batch. This is beneficial because, in addition to the extra space you'll clear in your filing cabinet, all of your Form I-9's will be stored and managed in one convenient location. Additionally, providers can pre-audit your archived paper Form I-9's prior to converting them into electronic documents.

Form I-9 doesn't have to be a headache with all of the services available in the market today. These services are cost-efficient and can save you a substantial amount of time by reducing your paperwork, guiding your new employees and HR representatives through the form, and reducing the time spent checking that the form is completed properly. This frees up your schedule so you can focus on activities that bring value to your business.

<sup>15</sup> "Interview with Joseph N. Impastato II, I-9 Advantage" CEOCFO Magazine, 2014 Web. 09 June 2014.  
<<http://www.ceocfointerviews.com/interviews/I9Advantage14.htm>>.

## About Us

Sterling Talent Solutions provides hiring peace of mind by delivering a simpler, smarter background screening and onboarding experience for employers worldwide. Our comprehensive suite of cloud-based background screening and onboarding solutions deliver accurate, reliable results and tools to maintain compliance throughout the hiring cycle.

With 18 offices in nine countries, our team of more than 3,500 employees proudly serves over 50,000 customers around the world, including 25% of the Fortune 100. Sterling is accredited by the National Association of Professional Background Screeners (NAPBS), a distinction earned by fewer than 10% of all background screening companies. Visit [www.sterlingtalentsolutions.com](http://www.sterlingtalentsolutions.com).

Sterling Talent Solutions is a service mark of Sterling Infosystems.

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In addition to this report, Sterling regularly publishes cutting-edge research and insight on the latest trends in human resources, talent management and hire processing.

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