

# ***Top 10 Background Check Mistakes***

## **Quincy Area Chapter of SHRM**

Affiliate of the Society for Human Resource Management  
Chartered in Quincy, IL

**Presented by  
Alan Kinsey**



*The information presented by Inquirehire is not intended to be legal advice.*

*Inquirehire recommends that you consult with legal counsel before making any decisions related to the information presented.*

**inquirehire**  
Look Better

# Top 10 Background Check Mistakes

A hiring mistake can cost 50% to 150% of the position's annual compensation, and could take many months to correct.

In severe cases, the damage could be permanent.



# Top 10 Background Check Mistakes

## Recent Data . . .

- 69% of employers say they made a bad hire in 2012
- Of those, 65% say the bad hire cost more than \$25,000

Source: CareerBuilder Study

# Top 10 Background Check Mistakes

## Reasons for Bad Hire . . .

- In a hurry to fill the job – 43%
- Insufficient talent intelligence – 22%
- Improper sourcing techniques – 13%
- Not enough time to review applications – 10%
- Didn't check references – 9%
- Lack of strong employment brand – 8%

Source: CareerBuilder Study

# Top 10 Background Check Mistakes

## Key Facts:

1. 9% of applicants have a criminal conviction
2. 20% of applicants falsify their education history
3. 40% of applicants falsify their employment history

# Top 10 Background Check Mistakes

© Original Artist

Reproduction rights obtainable from  
www.CartoonStock.com



Common Question:  
“It’s 2013. Isn’t there one place where I can get all the necessary information about a candidate?”

Unfortunately, the answer is NO.

Optimize Every Hiring Decision

**inquirehire**  
Look Better

# The *Many* Sources of Background Check Information

- County Courthouses
- State Police Records
- Federal Courthouses
- Credit Bureaus
- State Driving Records
- Commercial Databases

- Sex Offender Registries
- Federal or State Restricted Lists
- Industry Restricted Lists
- Prior Employers
- Educational Institutions
- The Internet – Social Media

Optimize Every Hiring Decision

inquire**hire**  
Look Better

# Why Does It Matter?

Industry  
Mandates

Liability

Better  
Hiring  
Decisions

Optimize Every Hiring Decision



# Top 10 Background Check Mistakes

The screenshot shows the homepage of Diploma Makers.com. At the top, a red banner reads "THE MOST TRUSTED NOVELTY DEGREE SITE ON THE NET". Below this is the site's logo and a navigation bar with icons for Samples, Order, Q&A, Contact, and Testimonials. A red starburst in the top left corner says "Complete Replica Degrees Starting at \$69". On the left sidebar, there's a section titled "AGE Really Does Matter" with a photo of an elderly man, and another titled "The Oldest NOVELTY DIPLOMA Site On the Net" with logos for Visa, MasterCard, UPS, and FedEx. The main content area features the heading "Fake Diploma or Fake College Degree" in red, followed by "In as little as 24 hours". Below this, there are two images: a framed fake diploma from "The University of Althambra at Brimming" and a screenshot of a fake university transcript.

## Number 10:

Failure to validate education history.

20% of applicants falsify their education history.

Optimize Every Hiring Decision

inquirehire  
Look Better

## **Scott Thompson resigns as Yahoo CEO**

By [Shawn Knight](#)

On May 13, 2012, 9:16 PM EST

Scott Thompson has resigned as the CEO of Yahoo after the Internet company discovered that he had falsified information on his resume with regards to his educational background. The company has since named Ross Levinsohn as interim CEO, although his position could be made permanent according to one source as reported by the Wall Street Journal.

Third Point hedge fund CEO Daniel Loeb sent a letter to Yahoo's board earlier this month pointing out that Thompson did not receive a degree in "accounting and computer science" and in fact, Stonehill College (where Thompson graduated) didn't even offer a computer science degree during the time he was enrolled.

[Home](#)[Shopping Cart](#)[Contact Us](#)

US TOLL FREE: 1-800-470-5020 International: 1-775-337-6006

Search: [Advanced search](#)

### Categories

- ▶ Degrees & Transcripts
- ▶ Degrees Only
- ▶ Transcripts Only
- ▶ Extras

### Special

[Gift certificates](#)

### Help

[Contact us](#)  
[Terms & Conditions](#)

## Welcome to Lucre Unlimited, Inc.

WHEN YOU ORDER FROM DIPLOMA MAKERS, YOU WILL GET...

1. Real embossed gold foil seals (not raised gold ink), and they are offered at no extra charge.
2. You get free previews of the finished product prior to shipping
3. There will always be a live customer service representative to answer your emails and phone call during normal business hours.
4. And finally, you get the assurance of dealing with a reputable company that will be around for years to come.

### Featured Item

Select the item you wish to purchase



### Your cart

Cart is empty

[View cart](#)  
[Checkout](#)  
[Wish list](#)  
[Orders history](#)  
[Returns](#)

### Choose Your

**Degree Style  
and Wording**

Internet | Protected Mode: On

100%

# Top 10 Background Check Mistakes



## Number 9:

Conducting social media checks inconsistently or at the wrong point in the hiring process may expose your organization to charges of discrimination or unfair practices.

Optimize Every Hiring Decision

inquirehire  
Look Better

# The National Law Journal, Jan 11, 2010

- In making hiring decisions, employers can lawfully use information relating to an applicant's illegal drug use, poor work ethic, poor writing or communications skills, feelings about previous employers and racist or other discriminatory tendencies. Employers may also lawfully consider an applicant's general poor judgment in maintenance of his or her public online persona.
- <http://www.law.com/jsp/nlj/PubArticleNLJ.jsp?id=1202437746082&hbxlogin=1>

# The National Law Journal, Jan 11, 2010

- Employers, however, may face liability under federal, state and local law for using any information learned from social media about an applicant's protected class status — race, age, disability, religion, sexual orientation, etc. — in a hiring decision. It may be hard for the employer to prove in later litigation that it only viewed, but didn't actually use, the information obtained in a social medium when making its hiring decision.
- <http://www.law.com/jsp/nlj/PubArticleNLJ.jsp?id=1202437746082&hbxlogin=1>

# Top 10 Background Check Mistakes



## Number 8:

Using information that is not legal or appropriate for employment decisions.

Juvenile records, older records, and in some cases, credit reports, are examples.

Optimize Every Hiring Decision

inquirehire  
Look Better



# Top 10 Background Check Mistakes



© Scott Adams, Inc./Dist. by UFS, Inc.

## Number 7:

Failing to validate employment history and prior job performance.  
40% of applicants falsify work history.

Optimize Every Hiring Decision

**inquirehire**  
Look Better



# Top 10 Background Check Mistakes



Optimize Every Hiring Decision

## Number 6:

Adverse Action notification failures.

Simple process and communication mistakes can lead to complex legal issues.

**inquirehire**  
Look Better

# Top 10 Background Check Mistakes



"Well, your morals seem to check out. Now we just need to run your credit report..."

## Number 5:

Inappropriate use of credit reports when denying employment.

Many states are restricting the use of credit reports for employment decisions.

Optimize Every Hiring Decision

**inquirehire**  
Look Better

# Top 10 Background Check Mistakes



Optimize Every Hiring Decision

## Number 4:

Assuming the industry or government required background check protocol provides adequate protection for your organization.

**inquirehire**  
Look Better

# Top 10 Background Check Mistakes



"We don't discriminate per sé— we just don't hire Lyle Lovett lookalikes."

## Number 3:

Blanket policies or practices in your background screening process.

EEOC considers blanket policies and practices discriminatory.

Optimize Every Hiring Decision

inquire**hire**  
Look Better

# Top 10 Background Check Mistakes



## Number 2:

Conducting background checks with internal resources.

Potential problems include inconsistency, confidentiality, misunderstanding of state employment laws, and inadequate access to many types of records.

Optimize Every Hiring Decision

**inquirehire**  
Look Better

# Top 10 Background Check Mistakes



<http://www.clearwatercriminallawyer.org/>

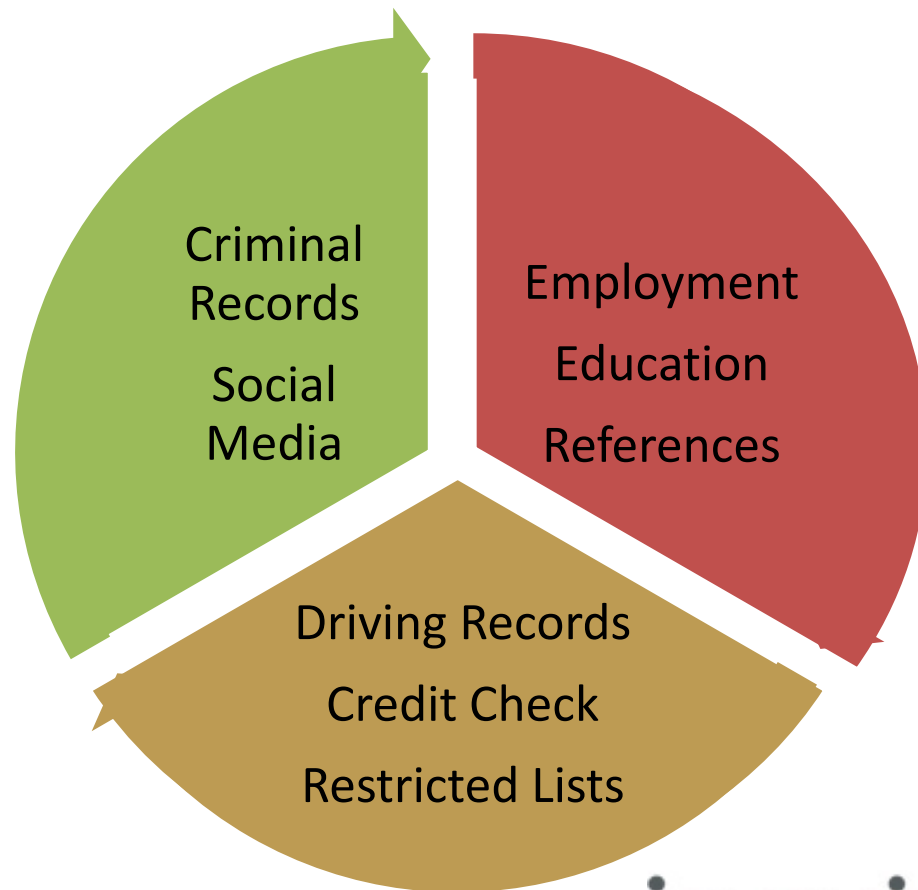
## Number 1:

Conducting an inadequate criminal record check that overlooks key areas where important records may be stored.

Optimize Every Hiring Decision

**inquirehire**  
Look Better

# Key Background Check Components



Optimize Every Hiring Decision

**inquirehire**  
Look Better



## Traditional Criminal Record Check

# Person Search

### County Courts

7 – 10 years  
Current and Alias  
Names

### Nationwide Databases

Current and Alias  
Names

### Federal Courts

Current and Alias  
Names

Optimize Every Hiring Decision

**inquirehire**  
Look Better



## Top 10 Background Check Mistakes

# Optimal Background Check

Industry or  
Regulatory  
Requirements

Position  
Parameters

Budget and  
Time  
Restrictions

Optimize Every Hiring Decision

**inquirehire**  
Look Better

Questions?

Alan Kinsey  
Vice President  
Inquirehire  
[www.inquirehire.com](http://www.inquirehire.com)  
Office: 563-323-5922  
Toll Free: 800-494-5922  
[akinsey@inquirehire.com](mailto:akinsey@inquirehire.com)

Optimize Every Hiring Decision



inquire**hire**  
Look Better