



## Why Your Background Checks Don't Add Up!

PRESENTED BY:



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## Why Do Background Checks?



- Increase Applicant and New Hire Quality
- Provide for a Safer Workplace / Reduce Workplace Violence
- Protect Against Negligent Hiring Liability
- Reduce Employee Dishonesty Losses
- Screen Employees with Access to Living Quarters
- Reduce Employee Turnover: Hire the Right People
- Avoid Negative Publicity
- Meet Regulatory, Insurance, and Customer/Contract Requirements

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## How to Value Background Checks?

Which would you rather have...

**\$1 or \$100 ??**



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## Are You Getting What you Paid for?

My new oven.



Just because it's half price... ..doesn't mean there's anything wrong with it, right?!

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## Are You Getting What you Paid for?

San Francisco Chronicle  
**HomeAdvisor sued by San Francisco over misleading ads**  
By Annie Ma | March 20, 2018 | Updated: March 20, 2018 2:28pm

The suit, filed by San Francisco District Attorney George Gascon on March 14, alleges that HomeAdvisor and its parent company, ANGI Homeservices, used radio and television ads that **misled consumers into thinking service personnel hired through the platform have all passed criminal background checks.**

The company instead only conducts background checks on the owners of independent businesses listed on the platform, and **does not check backgrounds for subcontractors** of larger national firms, the suit alleges.

"Companies like this offer a convenient service, but they also introduce strangers into our homes," Gascon said. "They must operate their businesses in a way that is within the parameters of the law and not misleading."

<https://www.sfchronicle.com/business/article/HomeAdvisor-sued-by-san-francisco-over-misleading-12746614.php>

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## Is Anybody Getting What They Paid for?

San Francisco Chronicle  
**Taxis sue Uber for misleading ads on safety**  
By Cindy Salt | March 18, 2018 | Updated: March 18, 2018 4:29pm

A group of 19 California taxi companies sued Uber in federal court Wednesday, alleging that it misleads customers about its safety, particularly the way it vets UberX drivers... Said Bill Rouse, general manager of plaintiff Yellow Cab of Los Angeles, "The taxi industry uses screening processes including **fingerprint background checks that are absolutely superior** to the system that Uber has in place."

Calling the lawsuit frivolous, Uber spokeswoman Eva Behrend said: "Uber's multi-layered driver screening includes county, federal and multi-state checks..." She said the taxi industry ignores safety issues. **doesn't look far enough back in background checks...**

**Uber... checks look at county and federal courthouse records and the multistate criminal database.** By [California] state law, such checks go back **only seven years.** Taxi drivers are vetted with fingerprint checks using...Justice Department and **FBI databases covering their entire adult lives.**

The district attorneys of San Francisco and Los Angeles in December filed a state complaint against Uber saying it misrepresents the quality of its background checks.

<https://www.sfchronicle.com/business/article/Taxis-sue-Uber-for-misleading-ads-on-safety-4142740.php>

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### Different Components to Background Checks

- Social Security Number Verification
- Criminal History
  - County
  - State
  - Federal
  - FBI
  - National
- Civil Records
- Driving Records
- Sex Offender Search
- Credit History
- Scholastic Verification
- Employment History
- References
- Professional License Verification
- Federal Exclusions
- E-Verify/I-9
- Workers' Comp. History
- Drug Testing
- International Checks

### Different Types of Criminal Checks

- Criminal History
  - County
  - State
  - Federal
  - FBI
  - National
- Driving Records (DUI)
- Sex Offender Search

### Differences with Criminal Checks

Criminal Checks

- County
  - 4337 County Courthouses
- State
  - Required State Repository
  - Non-Required State Repository
  - All-County/All-Jurisdiction County Court Search
  - Proprietary Database Search
  - Prison Records
- Federal
  - 94 District Courts
  - Tribal Courts
- FBI, III & NICS
- National
  - Proprietary Databases

### National versus FBI

**National Instant Criminal Background Check System (NICS)**  
 Convicted felons, people convicted of violent domestic crimes, those determined by the courts to be dangerously mentally ill, and those residing in the United States without documentation, are prohibited by federal law from buying firearms. These background checks are unique to gun purchases.

**FBI Database**  
 Ironically, the FBI database is actually not one single database, but a collection of different systems organized under the National Crime Information Center: The FBI Identification Record (fingerprint-based records), NICS (but not used for employment screenings), and Interstate Identification Index System ("III" System).

### National versus FBI

Despite popular belief, **the III System is not a complete national database** of all criminal history records in the United States. In fact, **many state records**, whether from law enforcement agencies or courts, **are not included or have not been updated.**

According to a 2006 Department of Justice (DOJ) report entitled The Attorney General's Report on Criminal History Background Checks, the authors state that "although it is quite comprehensive in its coverage of nationwide arrest records for serious offenses, the [FBI's Interstate Identification Index] is **still missing final disposition information for approximately 50 percent of its records.**"

**Bottom Line -- currently, there is no single government database containing complete and up-to-date records regarding a person's criminal history.**

### National versus FBI

**Facts about one proprietary National Database:**

- 1,146 Sources
- Over 550,000,000 records
- Sex Offender Records for 49 states plus Washington DC, Guam, Puerto Rico, US Virgin Islands, and select tribal territories
- 64 State Department of Corrections Files in 44 states, including Washington DC D.O.C.
- P.R.I.O.R.S. in all 50 states plus Washington DC, Guam, Puerto Rico, and US Virgin Islands
- 32 State Administrative Office of Courts Files
- 116 National Security Sources

### The National Problem

It all begins with an understanding of the source of Criminal Records

- **First**, for employment purposes, County Courts must serve as the Primary Source for all other records kept in various data repositories.
- **Second**, for the over 3,700 County Court systems in the U.S., most of them have their own proprietary record keeping systems, different from the County right next door.
- **Third**, the records for Felony versus Misdemeanor records are housed in separate Upper versus Lower Courthouses. Some Counties have as many as seven different courthouses maintaining their various records. Oftentimes, the records are not shared between courthouses within their own county.
- **Fourth**, because of budget and staffing limitations, many courthouses do not have an electronic solution for maintaining their records.

### The Expectations

There is an expectation that the County Court records will be passed up to the State Record Repositories, and subsequently to the F.B.I. Repository. However, there is **no regulation that requires or governs this** record sharing.

So if a County is underbudgeted or understaffed, **the task of sharing records does not occur**. This causes **large gaps** in the electronically available record repositories, both at the State and F.B.I. levels.

There is an expectation that because we now live in the Information Age, all these **records should be readily available** to background check companies.

There is an expectation that, because the information is readily available, it **should be inexpensive** to obtain.

For some Courts, this is true. The question is, **what about the rest**, and what does it cost to obtain those records?

### Again, the National Problem

It wasn't long before some data centers started scrubbing data from the courthouse records that are publicly available.

Background check companies started selling these searches as **legitimate** county criminal checks, as the originating sources were indeed the County criminal courts.

However, the fact that a County **may or may not** be providing all their records electronically or keeping the records up-to-date was (and is) **not factored into their solution**.

### More about the National Problem

Background check companies that use these database records create the **false impression** that the court records are up-to-date.

However, if they make the effort to review the details, they would discover that most records are updated **monthly**, some **every-other month**, some **semi-annually**, some **annually**, and some not at all or on **indefinite delay**.

Obviously, this leaves **significant gaps** in the criminal check.

### The Mathematics on the National Problem

We measure our performance based on what is called, The "Hit Ratio"

Common Hit Ratios		
National Criminal Database	Current County Of Residence	Residence History Counties
6%	12%-15%	19%-29%

The Low-High variation reflects different industries.

### The Mathematics on the National Problem

100% of 6% is still just 6% !!!

Exposé on the National Problem 19

Security - NBCNEWS.com

By Bob Sullivan  
Technology commentator

### Criminal background checks incomplete

How convicted felons can slip through safety net

Employers and volunteer organizations are increasingly turning to national commercial database searches provided by private firms to ferret out potential convicts from their ranks. The searches are quick, inexpensive, and promise nationwide coverage – **in theory**, preventing convicted felons from moving away from a checkered past.

But experts say the nationwide tallies are often **full of holes**, and contain as few as **70 percent** of all felony conviction records, leading in turn to a false sense of security.

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### Criminal background checks incomplete

How convicted felons can slip through safety net

Spotty participation by the nation's 3,100 county courts, along with a hodgepodge of data formats, make national crime databases **vastly incomplete**, said Rhonda Taylor, CEO of Intellisense Corp.

"We've done tests, and the national databases have a **41 percent error rate**... [There is] a glaring issue related to a **false sense of security**..."

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...one of a handful of firms selling inexpensive national crime database search tools... VolunteerSelect.com... says it's executed about **1 million searches** since the site launched in 2002. The results are nearly instantaneous, and at about **\$2.50 per check**.

Both Integrated Screening Partners and Intellisense do sell inexpensive database-only searches, but... try to steer clients away from using those services when making **important personnel decisions**. The more extensive searches that both companies offer are more expensive, between **\$50 and \$100**.

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How convicted felons can slip through safety net

...said Jeff T. Collins, CEO of Integrated Screening Partners...  
"...if people get an (electronic) criminal background check and think their problem is solved, **they are fooling themselves**."

Taylor said...when used by themselves... they give... a **false sense of security**, thinking...volunteers that have been diligently cleared of any shady past.

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How convicted felons can slip through safety net

**There is no national database of felony convictions that's sold to private data firms.**

Relying on the local agencies also means relying on court clerks to update the information regularly. Some do so every day, others every quarter. Collins said one Texas county went **18 months without updating** its data.

Making matters worse: Each jurisdiction may have slightly different definitions for various crimes. A felony in one state may be a gross misdemeanor in another, which means a database search could **miss many assault, battery, theft and domestic violence charges**.

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### Criminal background checks incomplete

How convicted felons can slip through safety net

And though the name may suggest otherwise, the "national" criminal databases also **don't include federal convictions**... which include convictions for Internet child pornography.

Complicating matters further: Sex offences are generally **stored in an entirely different database**, maintained by state agencies.

http://www.nbcnews.com/id/744732/in/technology\_and\_science/security/1/criminal-background-checks-incomplete/#.WuhtymJmnc

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### Exposé on the National Problem - continued

Background Check companies will represent that they are checking the records of a particular County, but they fail to mention that the records have not updated since \_\_\_\_\_ (2011?).

California						
Department of Corrections	Current Offenders	Monthly	0.0%	100.0%	Corrections	Statewide
Department of Corrections and Rehabilitation	Current Offenders	Jan 2014	0.0%	100.0%	Corrections	Statewide
San Offender Registry	October 2014	Bi-Monthly	0.0%		San Offender	Indioville
Butte County - Superior Court	1989	Monthly	0.0%		Felony, Misd. & Traffic	County
Calaveras County - Superior Court	1989	Monthly	0.0%		Felony, Misd. & Traffic	County
Colusa County - Superior Court	1988	Monthly	0.0%		Felony, Misd. & Traffic	County
Contra Costa County	2002	Quarterly	93.0%		Felony, Misd. & Traffic	County
El Dorado County	1987	Monthly	0.0%		Felony & Misdemeanor	County
Glenn County - Superior Court	1987	Monthly	0.0%		Felony, Misd. & Traffic	County
Humboldt County - Superior Court	2010	Monthly	0.0%		Felony & Misdemeanor	County
Imperial County - Superior Court	1988	Monthly	0.0%	99.7%	Felony & Misdemeanor	County
Los Angeles County - Superior Court	1979- August 2011	Historical Data	0.0%	0.0%	Felony Convictions	County
Madera County - Superior Court	1970	Monthly	0.0%		Felony & Misdemeanor	County
Merced County - Superior Court	2000	Monthly	97.0%		Felony, Misdemeanor	County
Mineral County - Superior Court	1995 - October 2014	Historical Data	0.0%	99.9%	Felony, Misd. & Traffic	County
Nevada County - Superior Court	1989	Monthly	0.0%	99.9%	Felony, Misd. & Traffic	County
Orange County - Superior Court	1986	Monthly	46.3%		Felony, Misd. & Traffic	County
Placer County - Superior Court	1999 - May 2016	Quarterly Updated	0.0%		Felony, Misd. & Traffic	County
Plumas County - Superior Court	1980	Monthly	99.9%		Felony, Misd. & Traffic	County
Sacramento County - Superior Court	2003	Monthly	0.0%		Felony	County
Sutter County - Supplemental	1988-Apr-2014	Historical Data	0.0%		Felony, Misd. & Traffic	County

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### In Conclusion

Unfortunately, there's no shortage of Background Check Products available in the market place. Everything from do-it-yourself online database checks to highly complicated, multi-phase, multi-county, hand checks. **Companies of all sizes have a Background Check product ready to sell.** However, failure to understand what the Check includes and doesn't include, is a **risk that shouldn't be taken for granted.**

In the case of Background Checks, the process of **how** the check is conducted is often more important than the product itself.

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### In Conclusion

Don't Shop By Turn-Around Time, Price, and Ease, instead Of Quality. Although turn-around time, and price may seem to be logical defining factors, this **couldn't be further from the truth.**

**The truth is, you get what you pay for.**

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### HR Profile, Inc.

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- Criminal Reference
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- Scholastic/Certification Verification
- Moving Violation Reports
- Drug Testing
- Clinical Exams
- Credentialing
- Competency Assessments

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