

INTERVIEWING

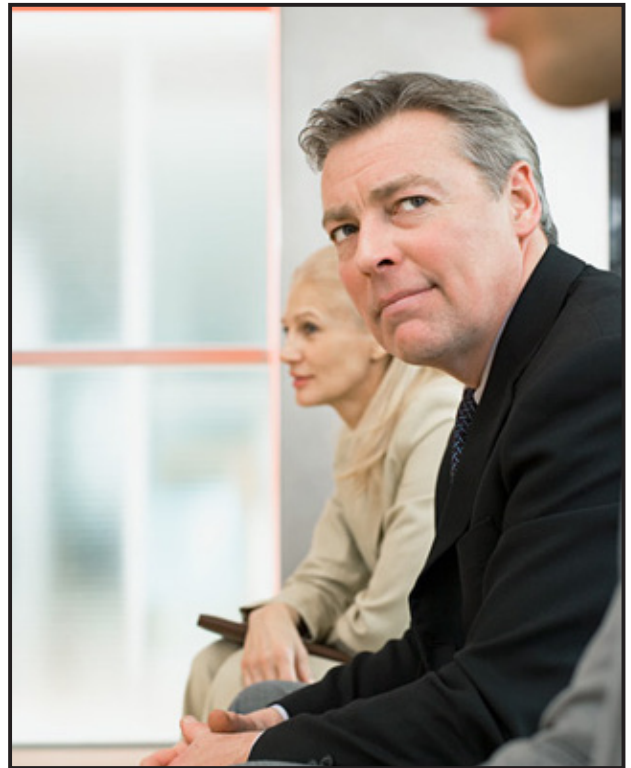
When Background Checks Make for Tough Interview Questions

Everyone faces curveballs in interviews. But when can skeletons in your closet reach out to hurt your chances?

By Kevin Fogarty

EVERY CAREER GUIDE EVER WRITTEN covers the “tough” job-interview questions: Why do you want to work here? What is your greatest weakness?

That advice rarely extends to questions that cut closer to home: explaining away the DWI you got on the way back from dinner with a client or the rumors of fraud that painted everyone laid off from the finance department where you worked after the stock price collapsed. There is little to prepare you to answer questions about the



Do Your Own Laundry

By Matthew Rothenberg, Editor-in-Chief, TheLadders.com

REMEMBER THE OLD SAW about making sure to wear clean underwear in case you're in an accident? Being prepared for sudden disclosure is a principle that should apply to your job search as well.

Putting your best foot forward in an interview is hard enough in the best of circumstances. Nobody's perfect, and it always takes preparation to

portray your career highs and lows in an honest but favorable light.

But what if you have some serious issues in your past: an arrest, tax trouble, association with a company mired in scandal? Even worse, what if the glitch in your record is something of which you're unaware? At the senior level, extensive background checks are standard business — and most

prospective employers will probably find the dirty laundry even if you don't.

In this package, reporter Kevin Fogarty talks to the professional investigators your next employer will likely use to check up on you — and gets their advice on how to be prepared for the really tough questions those investigations may prompt. ■

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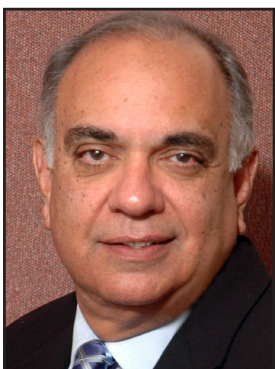
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What did you think of this package? Got a story of your own to tell? Have ideas for future coverage? Please write Editor-in-Chief Matthew Rothenberg at matthewr@theladders.com.

well-respected boss who never got along with you and asked you to resign or the sexual-harassment charge leveled against you but dismissed, years earlier.

It is not uncommon to have something lurking in your past or left off your resume that might upset your job search or present an obstacle in interview. And it needn't be an Enron-scale scandal to cause you concern. A black mark on your record (like a negative statement in an employment background check or a lie uncovered in an employment and education verification check) can be enough to send a hiring manager on to the next candidate.



Rosen

"If they got a degree at a diploma mill, that will be revealed in a respectable background check; if they didn't work at an employer they listed, or didn't have the job title they said they had, that will come out," said **Les Rosen**, former California deputy district attorney; president of **Employment Screening Resources** of Novato, Calif.; and founding member of the **National Association of Professional Background Screeners**.

The problem for job seekers is that there isn't a lot they can do to keep "secrets" under wraps while they're job-searching

or even afterward. If you have a black mark on your record, expect it to surface, Rosen said. "When a person with something minor in their background tries to hide it, they are taking a risk."

"Almost everyone is doing background checks on every hire; it's the quickest way to get rid of applicants," said Jo Prabhu, founder and CEO of placement firm **1800Jobquest.com** of Long Beach, Calif., and an expert on using background checks in hiring. "It goes even down to the administrative level; someone might be a felon or have some arrests. So they check everyone."



Prabhu

What records matter?

Most employers aren't even interested in your criminal past unless it's relevant to the job for which you're applying, Prabu said. Employers usually just want to know that you've done the time or paid the fine and that the whole thing was resolved at least two years ago, she said.

"I did have a woman who got a DUI on New Year's Eve, but that was easy to explain," Prabu said. "If it was something in college or not related to the job, employers aren't interested."

"If you're applying for a financial position, they'll do an additional credit check, and that might be relevant," she said. "But

The Anatomy of Background Check

Private investigators and former government agents share trade secrets about how they conduct employment background checks for hiring companies.



Martin

By Kevin Fogarty

THE QUESTIONS most job seekers want answered about background checks are when they'll be subject to one and what it will turn up.

Depending on the amount of effort and money a company is willing to spend, a background investigation of even a few days can turn up every place you've ever lived, every

company for which you've worked and the gaps in your resume you tried to hide by fudging dates.

It will also turn up exaggerations or lies about your education or work history; a poor credit history; any lawsuits filed against you or those you've filed against others; and any sanctions or charges brought by any federal, regulatory or licensing agency, including state Bar Associations and the Securities and Ex-

they don't check civil suits or other things. It's too expensive, and it's not relevant."

"If during the last five years you were convicted of check fraud, and I was hiring you to do a job where you had access to finances, that would be a concern," said **Robert E. Capwell**, chief knowledge officer at **Employment Background Investigations Inc.** of

Owings Mills, Md.

"If you were a registered sex offender and were working with children or with members of the opposite sex, that would be, too. The question is how long ago was the crime and how relevant is it to the



Capwell

job you're discussing."

Potential employers want to gauge their own level of risk or — more perversely if your black mark involves the kind of financial shenanigans that made Wall Streeters rich at the expense of regulations and their own stockholders — whether you're still willing to play hardball.

"We'll find out pretty quickly if you said you were the VP of operations (for an entire company) but it was only a department, and by verifying dates of employment, we'll find out you said you worked somewhere for a year, but it was only six months and you got fired and then didn't work anywhere for six months," Capwell said. "Former employers can't say much, but they are supposed to verify dates and titles."

Full disclosure

About the only real solution to a glitch in an otherwise resume-polished background is full disclosure, investigators and recruiters agreed.

"Derogatory information honestly revealed and discussed by the applicant is much less harmful than if it's discovered by a third party," ESR's Rosen said. "Even if the company's not really looking, one of the most productive sources of background checks is co-workers.

"If you're a six-figure person, you have to start with the assumption there are a lot of people working with you or under you who are interested and are going to look you up," he said. "They're ready to go on the Internet and see if you're a sex offender — because

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change Commission, said **Thomas G. Martin**, a former agent for the Dept. of Justice, now president of **Martin Investigative Services**, Newport Beach, Calif., and author of **Investigator Confidential**.

A comprehensive search like that takes a lot of legwork and subscriptions to a variety of criminal, civil and demographic databases. However, what that research doesn't turn up, a little chat will.

"We've taught interview and interrogation to the Dept. of Justice and all over the world," Martin said. "A

company will fly us in, and we can interrogate somebody and I will guarantee, knowing what questions to ask, how to ask and when to ask them, we will come out knowing everything there is to know about that person." Usually it takes an hour or less, he said.

Checking out executive-level hires is part of routine due diligence for most companies, many of which are concerned about white-collar crime, risk of fraud, a history of sexual harassment or other unethical or troublesome behavior, said **Robert E. Capwell**, chief knowledge officer at

Employment Background Investigations Inc. of Owings Mills, Md.

Identity check: Who are you?

For many job seekers the background check starts with the basics — an identity check. Most companies will run a check on your social security number, driver's license, dates of birth and aliases or maiden names that may vary from birth certificates, to verify that you are who you say you are. From a hiring manager's perspective your identity is not a given.

Employment Background Checks: Know Your Rights

You're likely to face a background check on your job search, but there are limits, and you have some options.

As a job seeker, what should you know about background checks, and how can you prepare yourself to face one?

By Lisa Vaas

AS A JOB SEEKER, what are the chances that potential employers will run background checks on you?

Excellent. Ninety-six percent of human-resources professionals claim their organizations perform background checks on potential employees and new hires, according to a recent poll by the **Society for Human Resources Management (SHRM)**.

What are they looking for? One-third of U.S. employers now use credit checks to screen applicants, according to a **survey by the Los Angeles Times**. Others verify claims made on your resume and in the job interview. Some look at criminal records, news reports and even sex-offender status.

As a job seeker, what should you know about background checks, and how can you prepare yourself to face one?

Permission granted

The first thing to know about **background checks** is that they can't be done without your permission. Employers are required to inform job seekers that they intend to perform a background check and receive written permission from the job seeker, according to the **Privacy Rights Clearinghouse**, a nonprofit consumer-information and advocacy organization.

If an employer chooses not to hire an applicant because of information gleaned from a background check, they're required to notify the job seeker and provide the name of the company that prepared the report; the law includes a loophole for employers who run background checks themselves.

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"There is a lot of identity theft out there, and not just for credit cards," Capwell said. "There have been instances where someone tried to get a job using someone else's identity. If you're looking for a CFO, someone who has fiduciary responsibility or check-writing authority, you'd like to know it's the person you were talking about."

What will they find?

The most common employment background checks are a search of public-records databases, like criminal history, credit reports, civil suits and driving records, said Jo Prabhu, founder and CEO of placement firm **1800Jobquest.com** of Long Beach, Calif., and an expert on using background checks in hiring. Prabhu, who

sometimes puts in 200 to 300 requests for background checks in a single week, says an average cost to the hiring company ranges between \$150 and \$180.

For that money a hiring manager can get reasonably good confirmation that candidates are who they say they are and get a decent picture of their backgrounds, said Les Rosen, former California deputy district attorney; president of Employment Screening Resources of Novato, Calif.; and founding member of the **National Association of Professional Background Screeners**.

Many, though not nearly all, states sell databases with criminal convictions, driving records, civil court-case results and other legal entanglements,

and a qualified background-search company will buy or subscribe to all that are relevant. It will also pay people to search in person at county courthouses all over the country for records that are not yet computerized, calling past employers to verify dates of employment and job titles, calling colleges or universities to confirm any degrees a candidate claims as well, he said.

Not that big a risk, Martin believes. The quality of the background check depends on the quality of the investigation company and its ability to bridge gaps in the digital record.

"If someone tells you they can do a nationwide computer search and come up with a good result, they're talking out their ****. A nationwide

► TOUGH QUESTIONS

that information isn't hard for consumers to find — or what degrees you're claiming in your LinkedIn profile or other business connection, and whether you ever went there."

Since there's not any real way to conceal derogatory information, it's better to know what might be disclosed about you during a background check. Have a background check done on yourself to check that the information is accurate. If you find false information, you can try to correct the inaccuracies, but there is little you can do to hide negative, but accurate items, Prabhu said. The best advice is to be prepared to explain them and you can't do that until you know what someone will find.

"There are a lot of people with things on their record that aren't discharged — like a DUI that someone got a long time ago and then moved to another state before the state sent them a notice saying to pay the fine," she said. "That would show up on

“There is a dramatic increase in the number of searches being done and the types of tools that are being used.”

— Les Rosen

your record looking as if you fled the state, even if it's not true."

"There is a dramatic increase in the number of searches being done and the types of tools that are being used," Rosen said. "There will almost always be a driving record, for example. It's an inexpensive record to get, and it turns up DUIs or drug incidents that can reveal alcohol or drug problems that way."

Honesty is about the only choice, especially when waffling about tough questions would raise enough red flags that a potential employer would either drop you or investigate further, according to Jim Villwock, an experienced financial-industry executive turned career coach and author of **"Whacked Again! Secrets to Getting Back on the Executive Saddle."**

"What (hiring managers) want to know," he said, "is, 'Are you going to do the same thing to me?'" ■

criminal-records search does not exist," Martin said. "In California, which is one of the states where it's easier to get the information, there are 58 counties and only about 15 are all online. If you did a mass murder in Curran County, an employer is not going to find out about it.

"Even on some of the good databases, 'nationwide' means every three or four states, and even those are not complete. You have to go to every county the person lived and check the courts in person," Martin said.

For the most senior positions and the most costly background checks, some companies go even further. They will hire freelance investigators or contract researchers in most counties to check for records. Others will even contact and interview former colleagues, managers, even neighbors, investigators said.

What they won't find

Don't be too eager to disclose too much, though, Capwell said. If there's a state law limiting employers to background criminal searches of seven years, don't volunteer things that happened eight years ago. Prabhu's standard search goes back 14 years, and it's possible to go much farther back than that.

And it's becoming easier to find out where a person lived by renting data from the U.S. Postal Service, magazine subscription companies, and other commercial databases that, using your name, Social Security Number or other data, can pinpoint every place you've lived and property you've owned, Martin said.

But employers can't find out everything, and they're not completely free to use everything they do find, Prabhu said.

The federal **Fair Credit Reporting Act** forbids companies from contracting out a background check without the written approval of the person being investigated, for example, she said.

Candidates have a right to see any background check report that comes back and to have a chance to correct any errors on it before any hiring decision is made, Rosen said. They also have the right to demand a re-investigation to verify facts that are in dispute.

"The pendulum has swung back pretty far in favor of the applicant," Rosen said. "But that's only true for outside companies. HR is allowed to do the investigation internally without permission, and there aren't any real controls on people on the Internet." ■

► RIGHTS

Job seekers are also entitled to receive a free copy of such reports from the company that prepared them. The same holds true for current employees.

What an employer can and cannot check

The Fair Credit Reporting Act (PDF) (15 USC §1681 et seq.) sets a national standard for employers to follow when conducting a background check on an applicant or employee. It allows employers to use negative background reports to decide against hiring candidates.

Background checks may consist of a mere credit check or can legally extend to criminal histories; driving records; and/or interviews with neighbors, friends and associates.

According to the Privacy Rights Clearinghouse, the following information is off-limits to employers conducting background checks:

- Bankruptcies after 10 years
- Civil suits, civil judgments and records of arrest, from date of entry, after seven years
- Paid tax liens after seven years
- Accounts placed for collection after seven years
- Any other negative information (except criminal convictions) after seven years.

Criminal convictions and anything in the public domain, i.e. reported in the media is fair game.

What happens if a background check turns up erroneous information?

Recruiters tell TheLadders they try not to assume that negative results pulled up on Google, for example, are true without a deeper investigation. Instead, they'll consult with job candidates to determine whether the negative findings are accurate. But Google searches and even professional background checks can return false positives, and the results are enough to disqualify you from a job, according to FCRA regulations.

The Privacy Rights Clearinghouse has learned of multiple cases in which individuals **remain unemployed for years**, unaware that wrongful criminal records resulting from identity theft were the reason employers weren't hiring them.

The Privacy Rights Clearinghouse is compiling reports of those who've recently been denied employment due to erroneous employment background checks; those who suspect or know this to be their situation are asked to **contact the PRC**.

Forewarned is forearmed

Wrongful criminal records and credit smears stemming from identity theft are notoriously hard to clear up. So can honest blemishes on your record, such as a high-profile failure at a past employer, a bad credit history or a family member's arrest. But you can get ahead of bad background checks by performing one on yourself. By investigating himself, a job seeker can find and address any erroneous information that might be associated with his paper trail, or at least be prepared to face questions on correct, but negative, results employers might find.

Start with credit reports. The FCRA guarantees individuals once-yearly access to a free credit report from each of the three nationwide reporting agencies — **Experian, Equifax** and **TransUnion**.

Job seekers can also opt to pay for a more thorough background check with a service such as **MyBackgroundCheck.com**, which costs \$89.99 and delves into county criminal searches and delivers a Social Security address locator report; previous employment verification for three positions; education verification (highest degree earned); national sex-offender search; and a check against the FBI's Terrorist Screening Database.

By seeing what a potential employer will see, an applicant will be able to begin correcting false information and prepare to defend negative reports. ■

Career Advice from TheLadders

- Checklist: Clean Up Your Web Trail
- How References Can Derail Your Career
- Employment Law and Your Rights
- Are There Skeletons in Your Closet?