



HireRight Annual
Employment Screening Benchmark Report

2014 Edition



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Executive Summary

Executive Summary

Finding top talent, staying compliant and minimizing the risk of bad hires will always be key goals for organizations, especially in an economic environment where organizations continue to run lean and rely on having the right people to remain viable. The HireRight 2014 Annual Employment Screening Benchmark Survey helps shed light on best practices and industry trends that can be integral for human resources professionals to help ensure the strong hiring policies and procedures that drive talent management.

Optimistic Hiring Outlook, Particularly from Large Organizations

A majority of respondents (71%) indicated their organizations would grow in 2014, and less than 6% indicated their workforce would shrink. Organizations with 4,000 or more employees forecast the most growth in workforce, with 29% indicating their staff would grow by 6% or more. More than half of respondents (58%) indicated the increase would result from new employees rather than non-employees such as contractors, temporary or contingent staff. The outlook for new employee hiring improved 8% year over year.

Employee Background Screening Uncovers Issues that would not be Found Otherwise

Nearly three-quarters of respondents (72%) reported that employee background screening uncovered issues that would not have been found otherwise. Eighty-eight percent said screening had uncovered candidates who lied on their resumes or applications, and 56% indicated the top benefit from screening was an improvement in the quality of candidates hired.

Screening Speed and Efficiency are Top Challenges yet Plans to Leverage Technology are Absent

HR professionals may be overlooking new solutions to key challenges. Reducing the time it takes to hire potential candidates was the top concern of nearly half of respondents (47%) and improving screening efficiency was a concern of more than one-third (37%) of respondents. However, more than a third of respondents (39%) planned no screening program improvements in 2014. And, while one-third (32%) planned to improve general policies and procedures, very few respondents (less than 20%) were looking at leveraging efficiencies from integrating screening with talent management applications, electronic processing of I-9 forms, or drug and alcohol testing.

Executive Summary (continued)

Competition for Talent and the Candidate Experience

Twenty-eight percent of responders planned to improve the candidate experience in the next year. Improving the candidate experience during the hiring process continued to be a key focus as organizations scrambled to hire high quality talent. Despite high unemployment rates, organizations continued to cite talent acquisition as a core business challenge.

Social Media Takes a Backseat to Traditional Recruiting and Screening

Traditional recruiting methods, such as referrals and online job boards, were preferred by more than three-quarters of respondents. However, when asked if Twitter, LinkedIn, and other social media were used, a majority (59%) appeared to be missing an opportunity to find qualified applicants, considering that as of last year, almost three-quarters (72%) of adults in the United States who are online use social networking sites¹.

In addition, more than 80% of respondents either did not use social media for screening, or did not know if their organization used this method. One possible reason for this reluctance may be a lack of clear regulatory or case law guidance on the practice and the need to steer clear of thorny issues like discrimination and invasion of privacy.

Legalized Marijuana Use is Growing but Employment Policies are not in Place

Legalization of marijuana for medical or recreational use has been a hot topic around the United States. Currently, 20 states and the District of Columbia legally allow some form of marijuana use. While the number of laws allowing use has grown, most respondents (76%) indicated that their organizations did not currently have or planned to implement a medical marijuana use policy.

Use of E-Verify Grows, I-9 Form Management in Transition

The trend toward increased adoption of E-Verify continues. Over the last three years, the use of E-Verify has grown significantly. In 2014, 84% of respondents said they were using the system compared to 53% in 2012. State and local laws that require E-Verify may have contributed to its increased use. Also, the move towards digital I-9 formats, continued to increase with larger numbers of businesses storing I-9 forms in digital-only format or a combination of digital and paper.

Extended Workforce Screening Continues to be Low

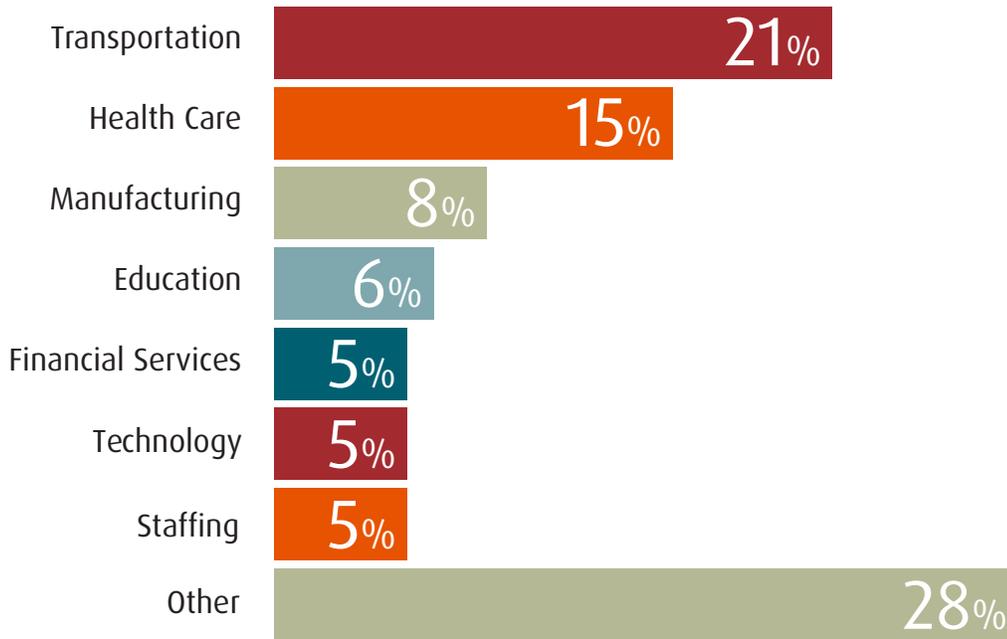
Thirty-two percent of responders indicated their organization screened non-employees. Within this group, 65% screened contingent, temporary, or contract workers. A much smaller number, 25%, said they screened vendors or volunteers. Non-employees can pose many of the same risks as employees, and diligence in screening these members of the workforce is integral to a holistic screening policy and a safe work environment.

¹ <http://pewinternet.org/Reports/2013/social-networking-sites/Findings.aspx>

Survey Findings



Primary Industry



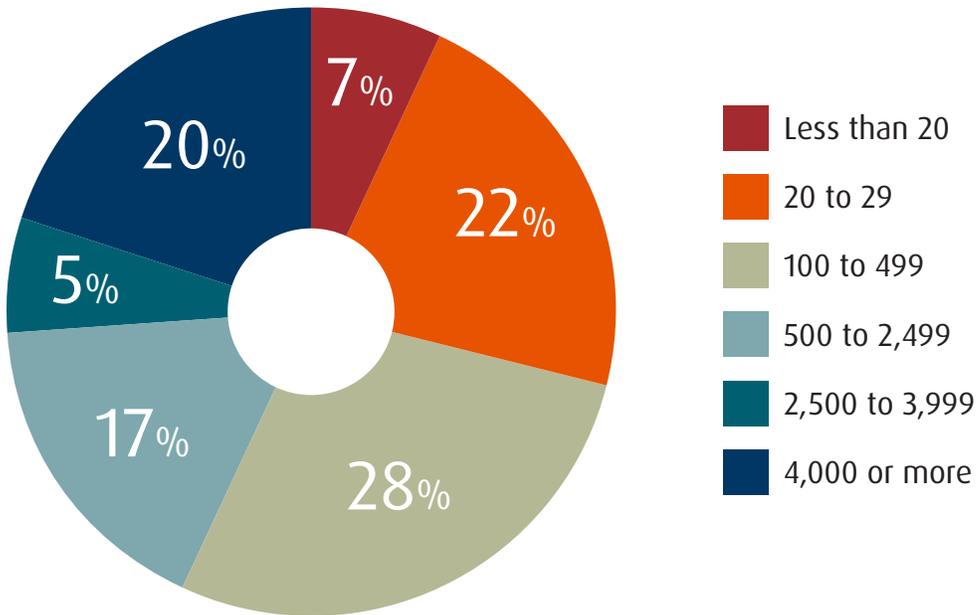
Survey Overview and Methodology

The HireRight 2014 Annual Employment Screening Benchmarking Survey was conducted during the 4th quarter of 2013. It was sent to HireRight customers and to many other professionals throughout the United States who are knowledgeable about employment screening and recruiting. This report explores key issues, trends, and underlying business drivers affecting screening programs, as well as policies and practices.

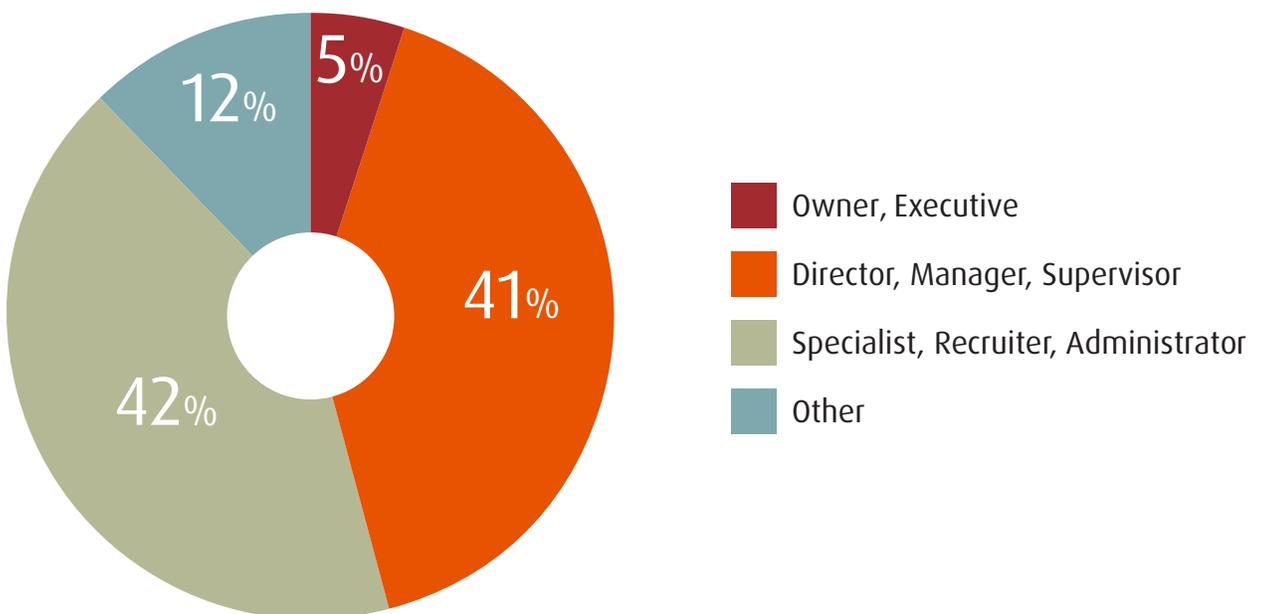
This is the seventh annual report and it is based on online survey answers from 3,038 respondents from more than 2,200 unique organizations. A majority of respondents (83%) indicated their organization conducted background screening. In addition, 41% of respondents worked primarily in director and middle management roles, and 42% were administrators, recruiters, or specialists. If multiple replies were received from the same organization, the tabulated results were normalized so each organization represents one response. Survey questions included multiple choice, multiple selections, and open text. Figures may not add up to exactly 100% due to rounding. In some cases, prior year comparisons were made to help understand potential trends.

Organizations of all sizes, across a wide range of industries, are represented in this report, with transportation, health care, manufacturing, and education among the top respondents. Findings from respondents in specific industries are presented when the data is noteworthy.

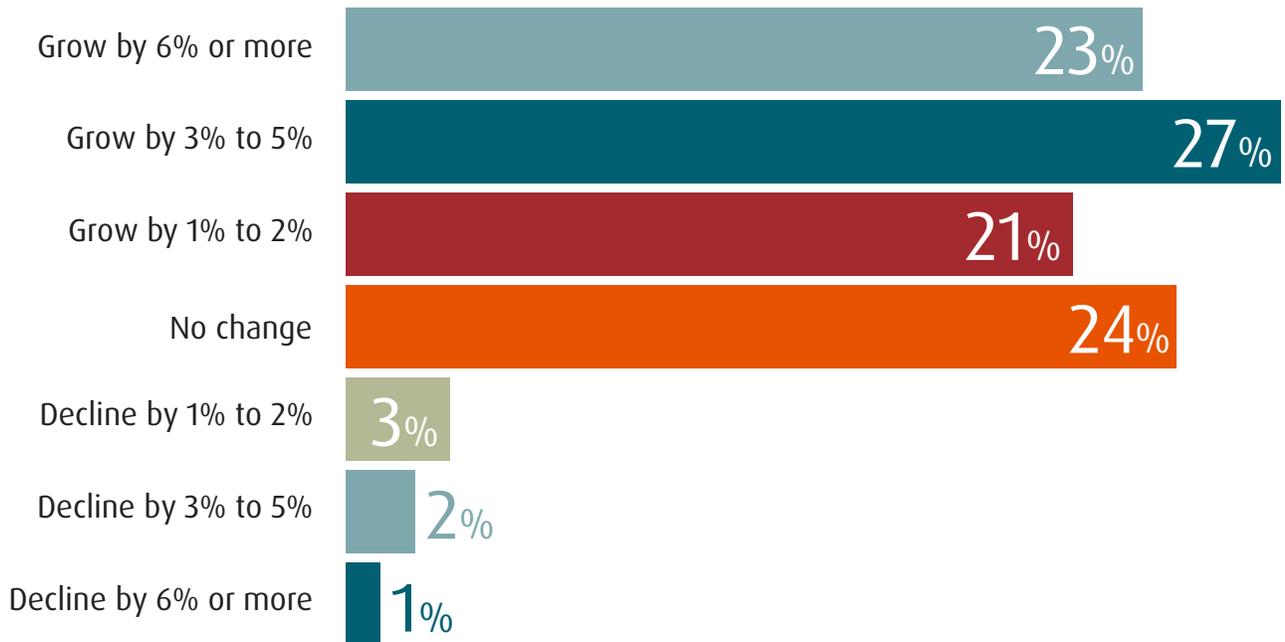
Workforce Size



Respondent Role



Expected Change to Workforce Size

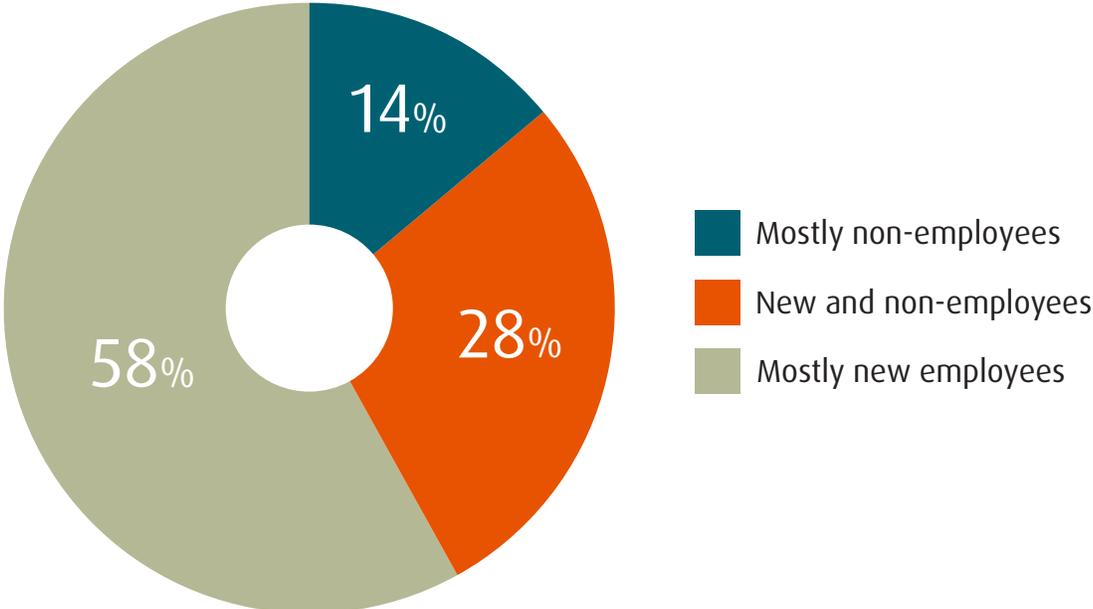


2014 Hiring Outlook

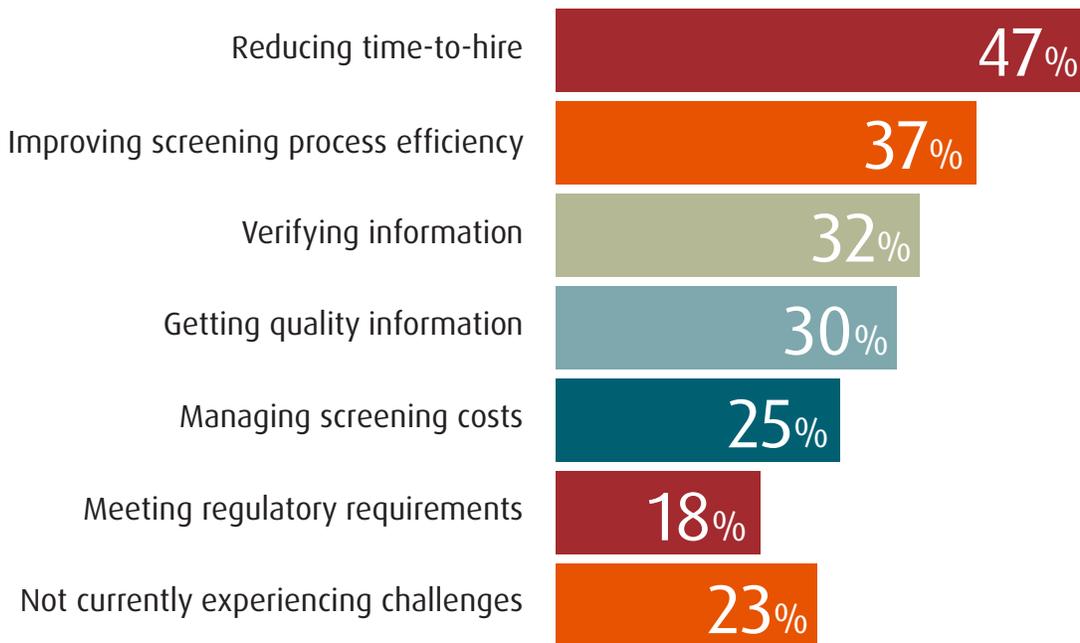
As the economy in the United States continues to face slow growth, the related economic impact on hiring in 2014 is a hot topic. The good news is that organizations of all sizes and industries were optimistic when asked about the expected change in the size of their workforce in 2014. Nearly all respondents (95%) expected their organizations would either grow or stay the same size this year. Most respondents (71%) expected organizational growth, and nearly one-quarter of respondents (23%) anticipated an increase of 6% or more. The greatest hiring optimism comes from organizations with more than 4,000 employees; as 29% of large organizations forecasted more than 6% growth in hiring.

More than half of the respondents who expected workforce growth (58%) revealed that none of the change was expected to come from workers considered non-employees, such as contingent or temporary workers, or contractors. Only 14% of respondents said that all or most of the change was attributable to non-employees.

Expected Growth by Employee Type



Top Screening Challenges



Challenges in Background Screening

Reducing the time it takes to hire potential candidates was the top concern of nearly half of respondents (47%); and improving screening efficiency concerned over one-third (37%) of respondents. These challenges appeared to be universal across industries and organizational sizes and the responses were similar to previous years.

Improving the Candidate Experience

Improving the candidate experience in the hiring process continues to be a key focus as organizations scramble to hire high quality talent. Despite high unemployment rates, organizations continue to cite talent acquisition as a core business challenge. It is no mystery, therefore, that improving the candidate experience has become important for employers. The repercussions of a poor candidate experience can be extensive and include losing the best candidates, damage to the organization's brand, and negative impact on the bottom line.

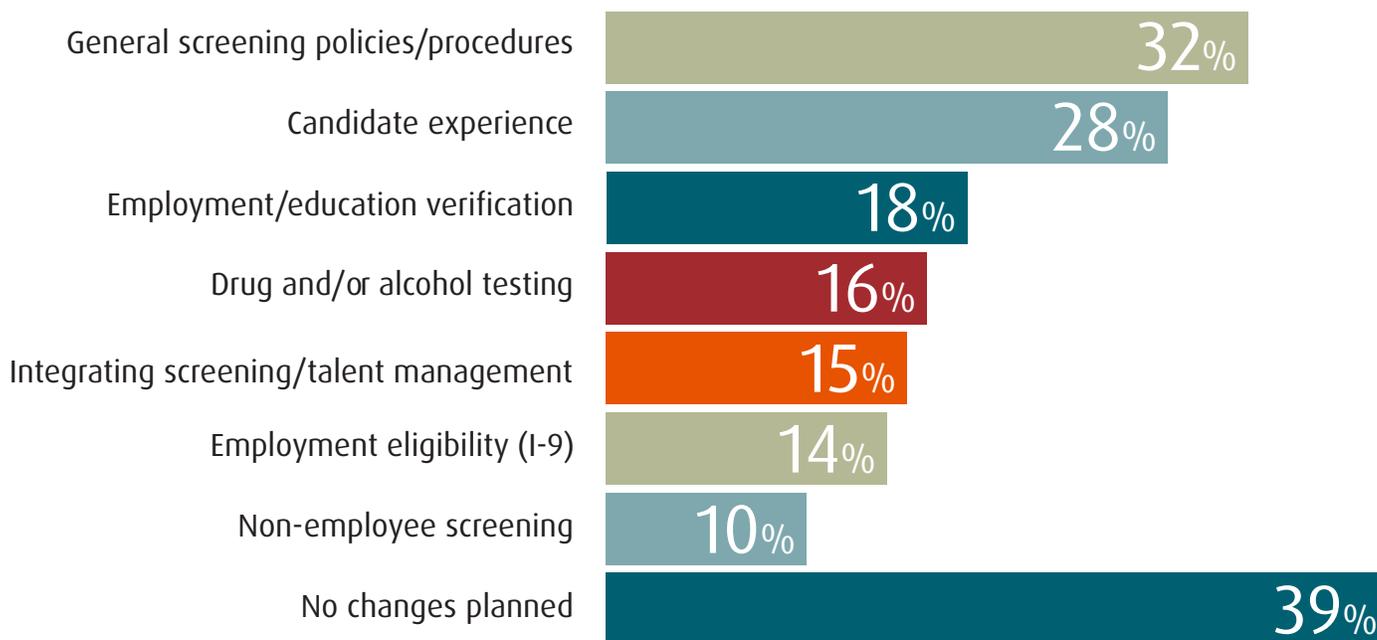
To improve the candidate experience, employers should consider how their [background screening process impacts the candidate experience](#). They should inform applicants of the types of checks that will be performed, should educate applicants about the screening process, and should communicate with applicants during the process². If a third-party background screening vendor is used, employers should ask how the vendor improves the candidate experience and how success is monitored.

² See more at: <http://www.hireright.com/blog/2013/05/3-ways-background-screening-impacts-candidate-experience/#sthash.UHVS97wq.dpuf>

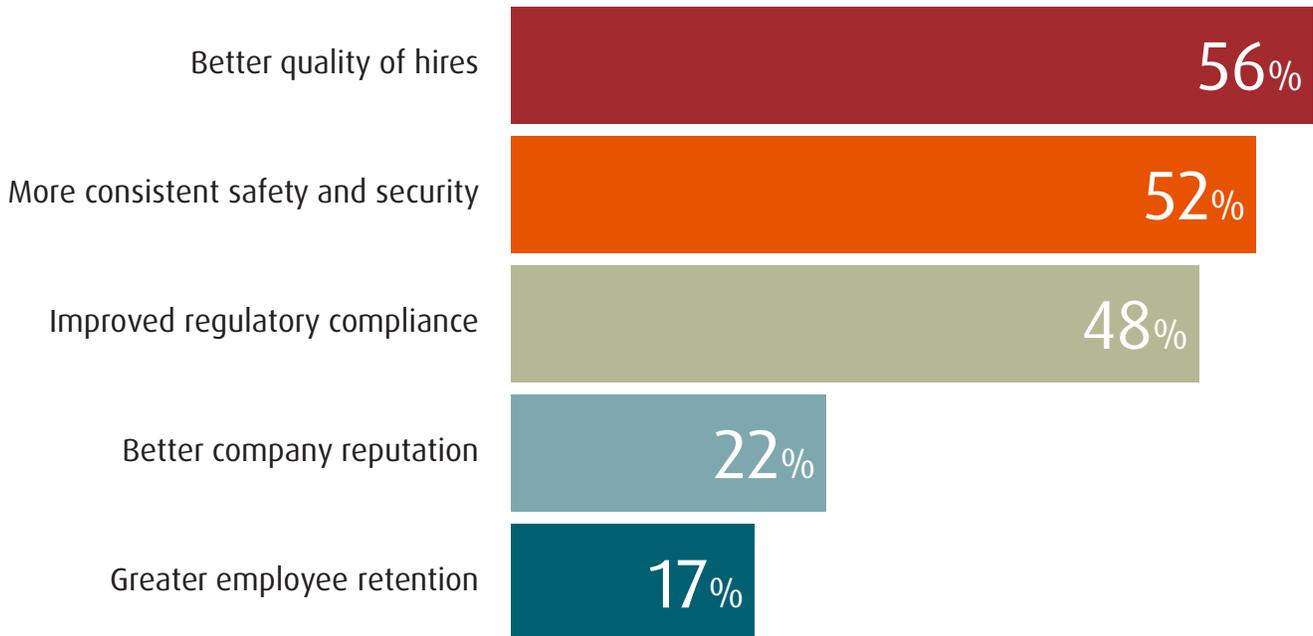


Based on this data regarding challenges, one could conclude that most organizations planned to improve their policies and procedures. However, two-fifths of respondents (40%) did not plan any improvements. The top two program improvements that respondents planned in 2014 were general policies and procedures (32%), and the candidate experience (28%). A sophisticated background screening partner should be able to help employers decide on program changes and improvements that can alleviate many issues that were cited by respondents.

Policies and Procedures to Improve in 2014



Top Benefits of Screening



Benefits of Background Screening

Over the last two decades, employment background screening has become common practice in organizations of all sizes and in nearly all industries. Employees are the face of the organization to both customers and to the world, and high-caliber employees who deliver on their commitments are a keystone of building great organizations. Creating employee teams that work well together is requisite in creating a world class organization. Effective hiring practices, including screening, are an investment in growing a successful and efficient organization and may help prevent future issues.

Improving Quality of Hires

Nearly all respondents (93%) reported they received benefits from conducting employment screening, and 56% said the top benefit was improved quality of hires. This is an important finding, as the impact of a poor hire can reverberate throughout an organization. In the United States, 27% of employers reported the cost of a bad hire exceeded \$50,000. This amount does not account for non-financial costs such as employee morale, the impact on customer relationships, and possible damage to a company's reputation. Transportation organizations were particularly vocal that background screening improved the quality of their hires. Seventy percent of respondents cited this as a benefit.

One of the reasons an employer performs background screening is to confirm an applicant is telling the truth. Respondents were asked whether screening had ever uncovered an applicant who lied or misrepresented information. An overwhelming 88% said yes.

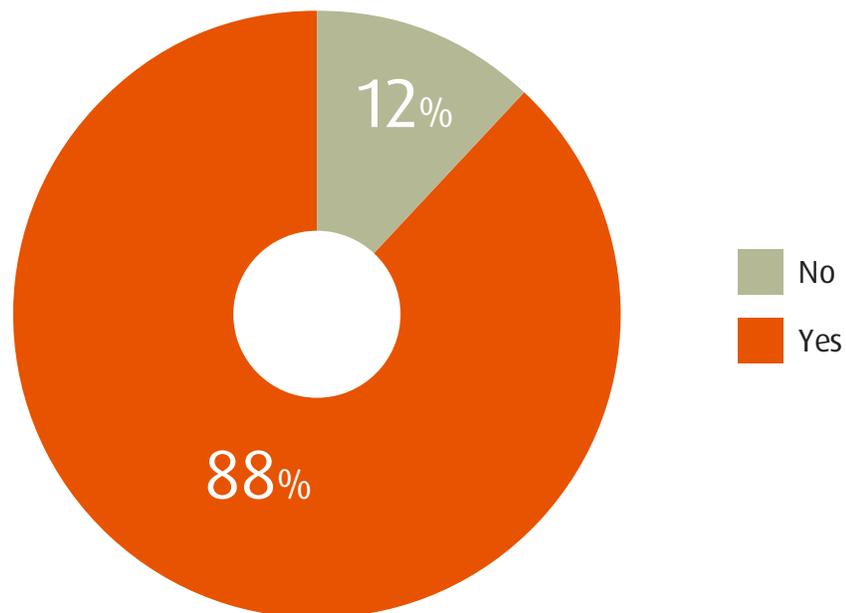
More than one-quarter of respondents in organizations with less than 100 employees (26%) indicated that screening had not uncovered lies on applicant documentation – a higher percentage than respondents with organizations of other sizes. The smaller number of applicants or available job openings at these organizations may account for the difference.

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88% of respondents indicated that background screening has uncovered a lie on a resume. @HireRight Benchmarking Report <http://ar.gy/5hau>

Screening has Exposed a Person who Lied on a Resume



³ See more at: <http://www.hireright.com/blog/2013/05/more-than-half-of-employers-report-making-a-10cost-of-a-bad-hire/#sthash.AYiNrcox.dpuf>.

Improving Safety and Security

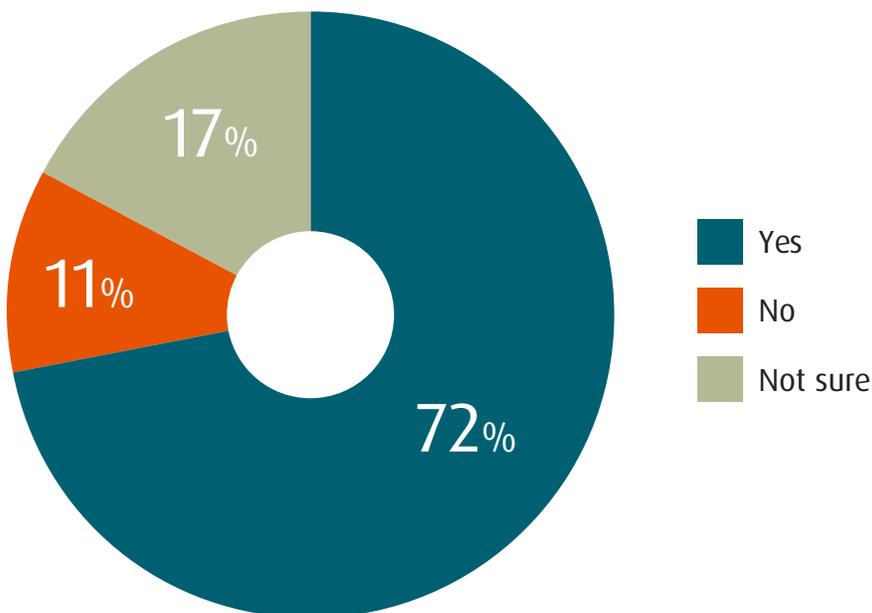
Fifty-two percent of respondents cited improved safety and security as a top benefit of screening. Effective screening at the time of hire can help mitigate risk for a number of factors including workplace violence, theft, and other security concerns. Nearly three-quarters of respondents (72%) reported that background screening uncovered issues that would not otherwise have been found.

72% of respondents uncovered issues that wouldn't have been found without background screening. @HireRight Benchmarking Report <http://ar.gy/5hau>

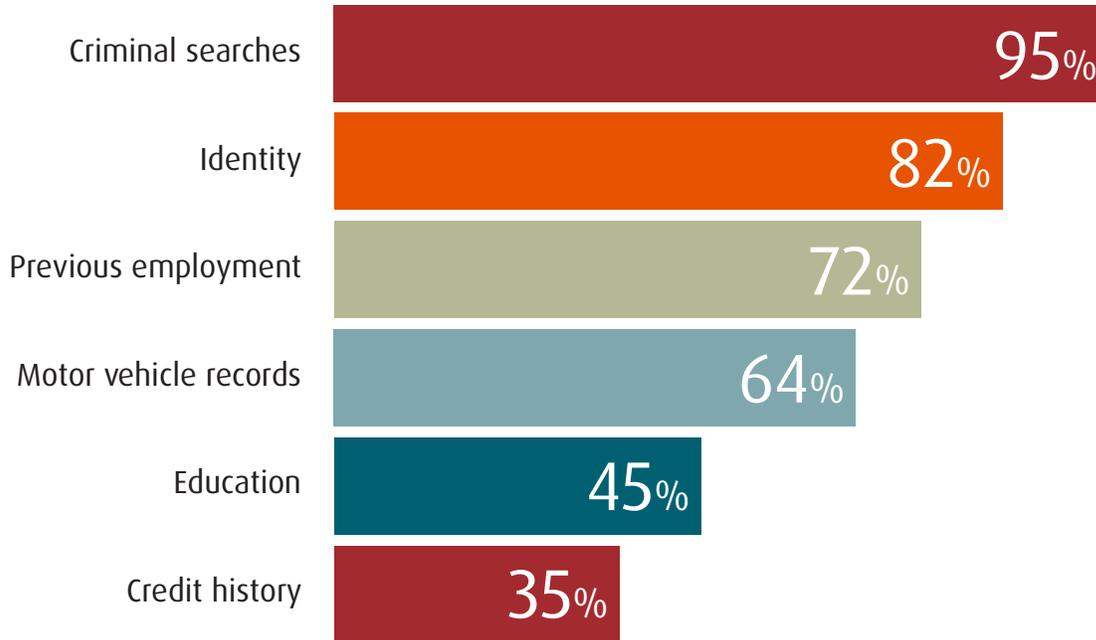
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Screening Uncovers Issues that would not have been Found Otherwise



Most Common Background Checks Performed



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What are the most common background checks? @HireRight Benchmarking Report <http://ar.gy/5hau>

Screening Practices

Employer screening policies and procedures exist to help ensure hiring is fair and consistent and meets compliance and regulatory requirements. Policies and procedures also exist to help identify candidates who are the right fit for an organization, including skills, background, and risk mitigation. Most candidates undergo pre-employment background checks and, in some organizations, periodic checks after they become employees. The types of checks performed may vary by job title, role, and location based on an organization's needs. Additionally, there may be federal and/or state regulations that govern how employers perform background screening.

Reviewing Policies and Procedures

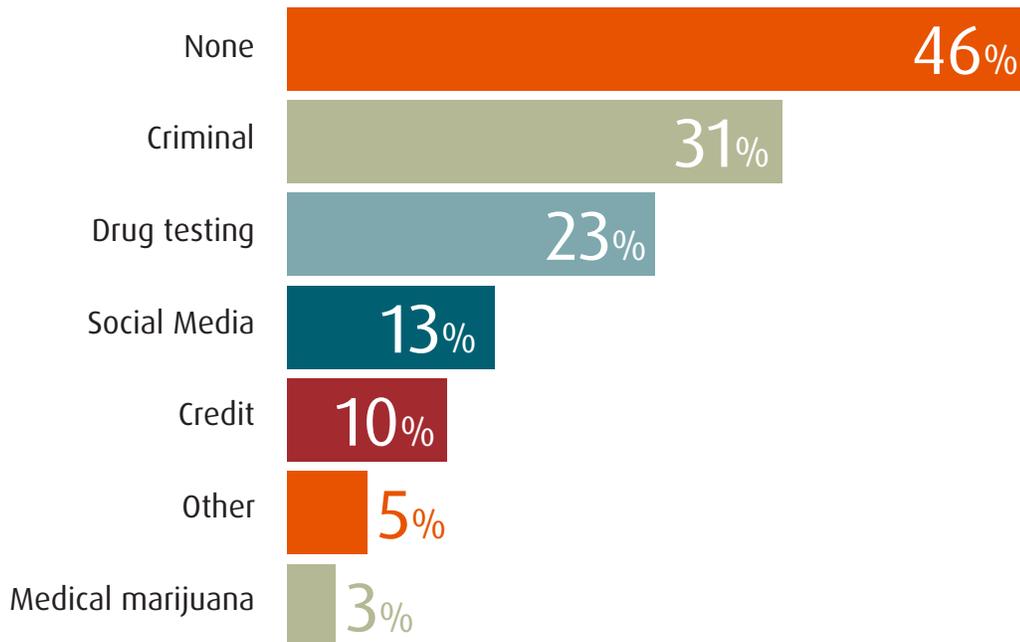
Periodic review of organizational policies is important because the regulatory landscape changes frequently. In fact, negligent hiring and retention claims are recognized in almost every state, and they are growing with an average payout of more than \$1 million dollars. Also, employers lose approximately 75% of all negligent hiring cases⁴. The legal standard for negligent hiring and retention cases varies from state to state, and maintaining up-to-date written policies and procedures is important if litigation occurs.

A majority of respondents (88%) reviewed their policies and procedures from time to time. Although the frequency varied, nearly half of respondents (48%) performed an annual policy review, while a small percentage (15%) had more frequent reviews.

Despite ever-changing government requirements, almost half of respondents (46%) made no changes to their policies in the last year. The most common policies that were revised included criminal and drug testing.

Why the high percentage of criminal and drug testing policy revisions? Policies are often reviewed or modified in response to legal rulings or legislation. For example, in June of 2013 the Federal Equal Employment Opportunity Commission (EEOC) instituted action against two employers for using criminal background screening in their hiring process, citing possible violations of the

Policies Revised in the Past 12 Months



⁴ <http://www.hireright.com/Background-Check-Fast-Facts.aspx>

Federal Rights Act of 1964. After a number of state attorney generals sent a letter urging the EEOC to reconsider, questions remain on when and how to conduct such background screening within state and federal laws. Also in 2013, some states passed laws regarding the use of marijuana both recreationally and medicinally. When legislation is in flux, organizations may find the safest course of action is to modify policies based on advice from legal counsel.

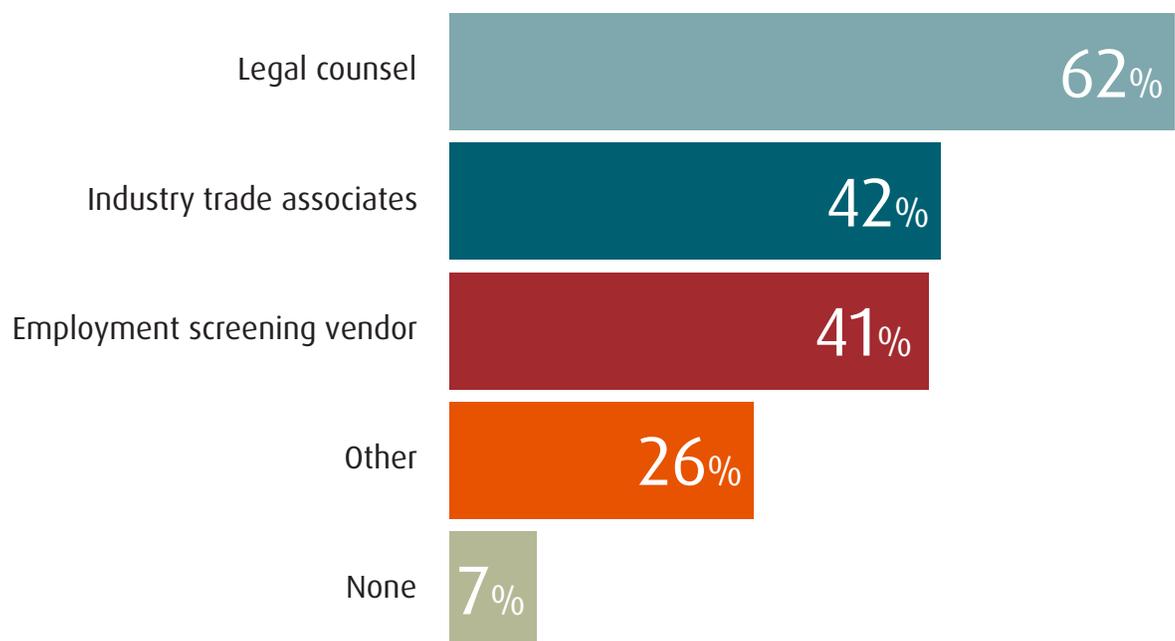
Staying Current with Regulatory Changes

Our survey asked how organizations stayed current with changing laws and regulations. Responses varied somewhat by size of organization and by industry type. Organizations with 500 or more employees were much more likely to rely on legal counsel than smaller organizations. Transportation organizations were more likely to use industry trade associations than other industries. Health care organizations were far more likely to rely on legal counsel for regulatory changes than other industries

Forty-one percent of all respondents relied, at least in part, on their employment screening vendor to stay current with changes, and that response was consistent across organization of all sizes.

Organizations should ask their screening provider how they stay abreast of changes. Does the provider rely on a well-established legal firm that specializes in employment law and practices? Does the provider have an online resource for questions and guidance? Does the provider have resources in the states and industries that the customer is in? Understanding the expertise and capabilities of the background screening provider can help manage risk successfully.

Resources Used to Stay Current With Regulatory Changes



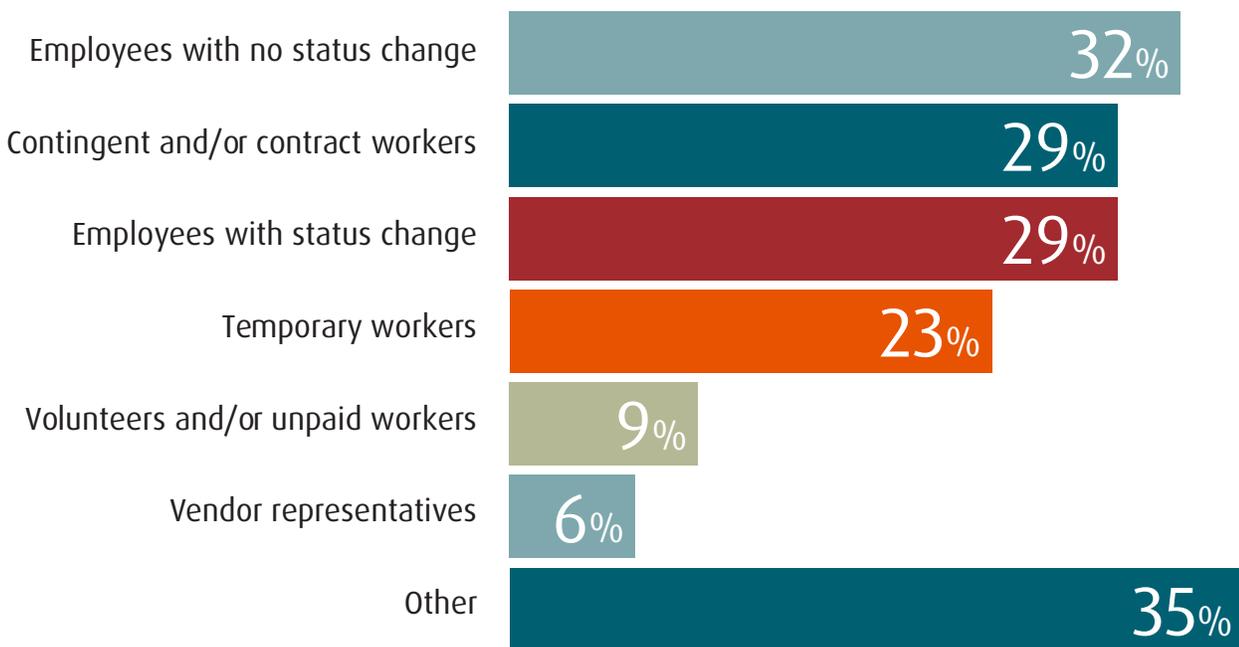
Screening Existing Employees

Some organizations rescreen or re-verify existing workers after hire as a best practice or because regulations encourage or mandate such checks. For example, verification of license renewals may be regulated in industries like transportation, financial services, and health care where licenses are required.

Twenty percent of organizations rescreen employees after hire. Within that group, one-third of respondents (32%) re-screen existing employees who have no status change, and about the same number (29%) re-screen employees only when a status change has happened. Close to a third of respondents (29%) re-screen contingent and/or contract workers and about one-quarter (23%) screen temporary workers. A small number of respondents rescreen volunteers and/or unpaid workers (9%) and vendor representatives (6%).

While pre-employment screening reduces the risk of uninformed hiring decisions, post-employment, or rescreening, often reduces an organization's long-term risk by keeping employers well-informed through the life of the employment relationship. Staying informed of employee conduct inside or outside of the workplace can enable an organization to mitigate risk and protect against negligent retention lawsuits.

Employees Screened After Hire

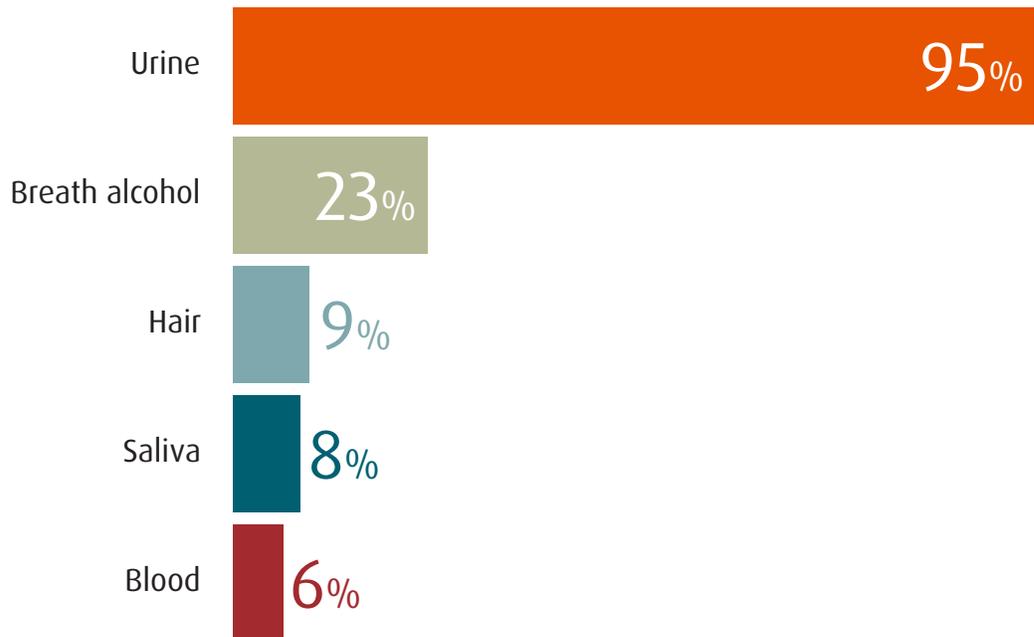


Conducting Drug and Alcohol Tests

Drug and alcohol testing continues to be an important part of screening both before and after hire. Fifty-eight percent of respondents indicated their organization conducted drug and/or alcohol screening, and this number jumped to 62% for respondents with organizations of more than 4,000 employees.

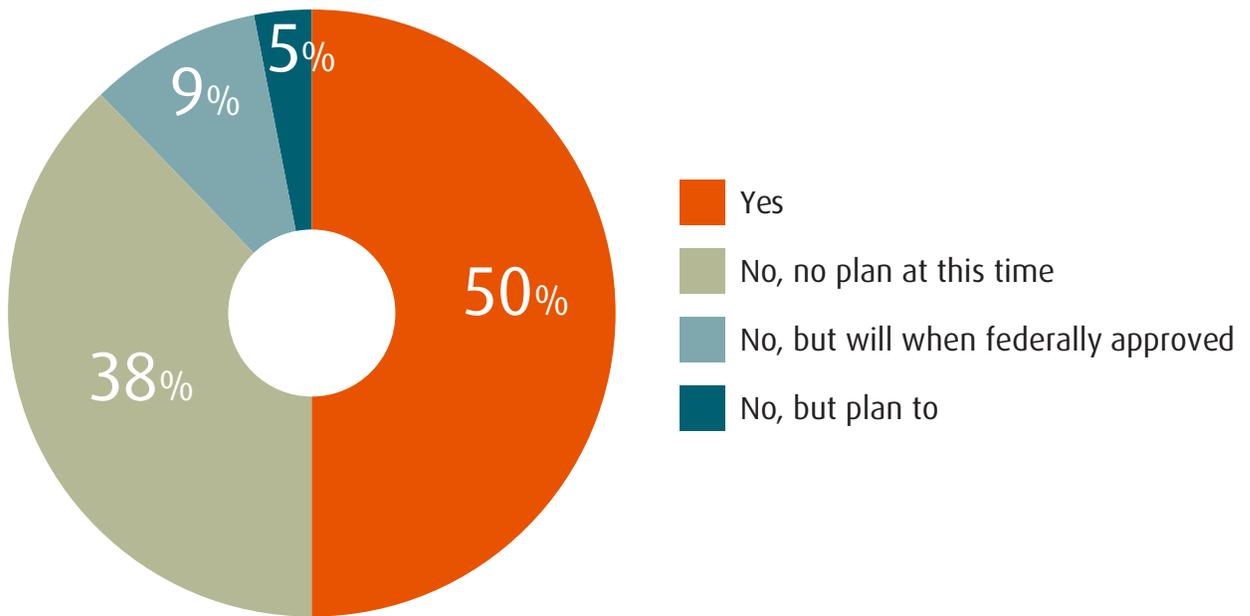
The vast majority of organizations (95%) that indicated they conducted drug testing, perform urine tests. Breath alcohol tests (23%), hair (9%), saliva (8%), and blood testing (6%) were also conducted, but much less frequently.

Drug and Alcohol Tests Performed



Fifty percent of the organizations that conducted drug and alcohol screening used an electronic Chain-of-Custody (eCOC) form to track results with 10% indicating they would adopt the form if it became acceptable by federal regulation.

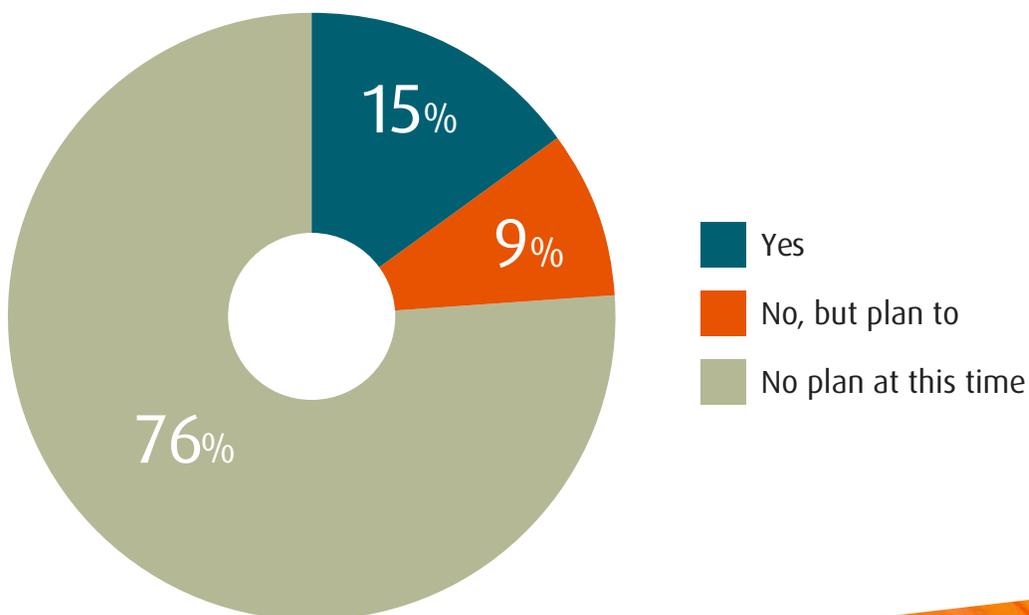
Using Electronic Chain of Custody Form for Drug Testing



Legalization of marijuana for medical or recreational use has been a recurring hot topic around the United States. Currently, 20 states and the District of Columbia legally allow some form of marijuana use. While the number of laws allowing use has grown, most respondents (76%) indicated that their organizations did not currently have plans to implement a medical marijuana use policy. In 2013, 79% indicated they did not have such a policy. In conjunction, 15% of this year's respondents indicated they had a medical marijuana policy and 9% indicated they planned to implement policies. In 2013, those numbers were 12% and 10% respectively.

Note that the transportation industry is not included in the medical marijuana policy responses since use is federally prohibited. It remains to be seen whether the transportation industry will create policies regarding marijuana use for non-DOT employees.

Have a Medical Marijuana Policy



Screening Globally

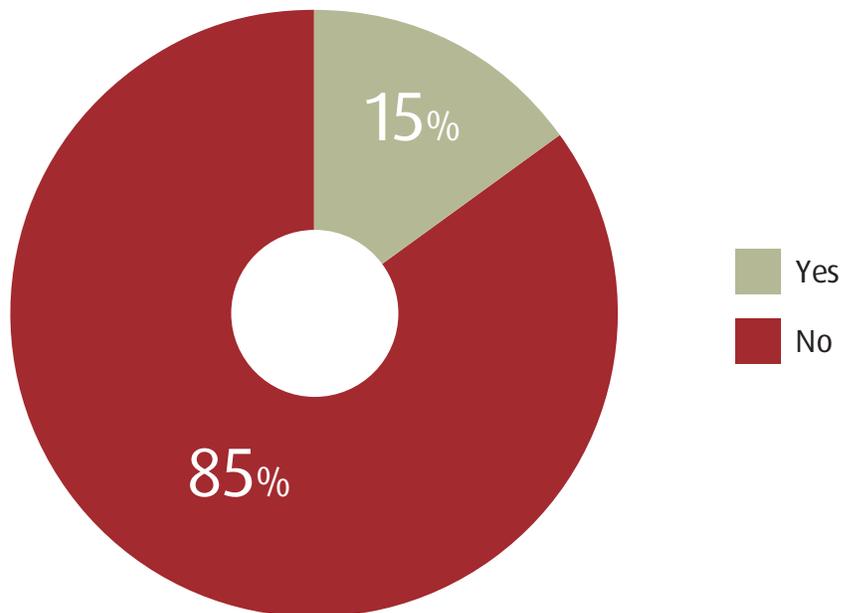
In an increasingly global marketplace and in an environment with a shortage of talent, organizations are recruiting more applicants who may have lived, studied, and worked globally. However, less than a fifth of respondents (15%) indicated their organization performed background screening on individuals with multi-national residence, education, and/or employment history. The global screening rate is higher (33%) for organizations with 4,000 or more employees.

85% of employers with a global workforce could be putting themselves to risk by not screening. @HireRight Benchmarking Report <http://ar.gy/5hau>

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Conduct Global Screening



Employers who are not screening multi-national candidates should remember there are a number of tangible benefits to global background screening. Organizations can better insulate themselves from the risk of negligent hiring claims by performing an appropriate background screen for every candidate.

Since global background screening is still not widely adopted among employers, some candidates could take advantage of holes in an organization's procedures by claiming degrees or citing employment histories while hoping that screening would not be conducted. In addition, consistent background screening is important to better protect employers against claims of discriminatory hiring practices. Failure to verify multi-national applicants or experience could expose an organization to costly and time-consuming litigation. Lastly, global background screening can promote a better quality of hire by authenticating qualifications and experience, and identifying any possible concerns in a candidate's background⁶.

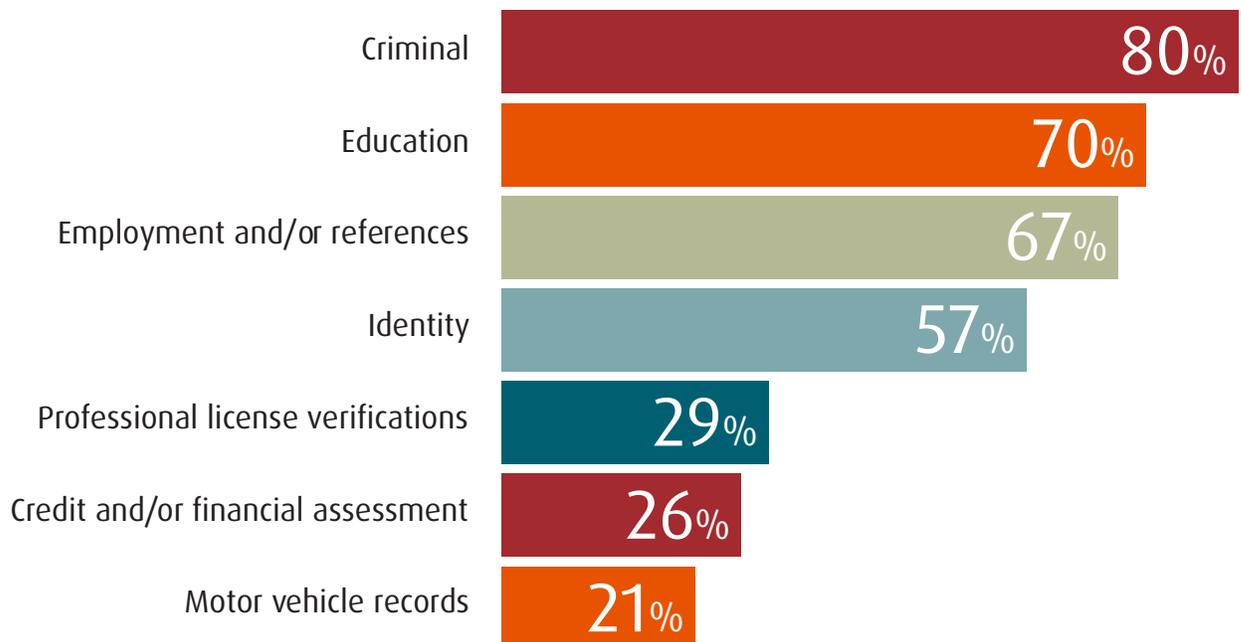
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What types of background checks are performed outside of the US?

@HireRight Benchmarking Report <http://ar.gy/5hau>

Types of Background Checks Performed at Non-U.S. Locations

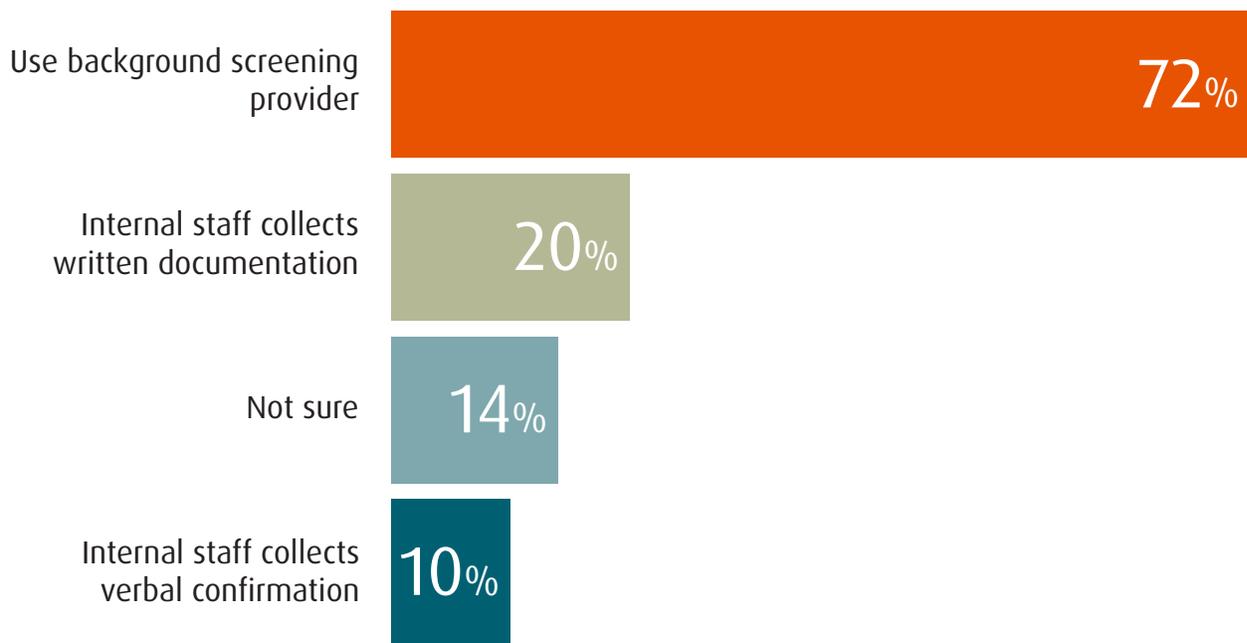


⁶ See more at:

<http://www.hireright.com/blog/2013/09/stop-making-excuses-global-background-screening-is-just-too-important-to-neglect/#sthash.TE3ftZsb.dpuf>

Nearly three-quarters of respondents (72%) partnered with a background screening provider to screen global employees. Considering that the type of available screening information can vary greatly by country, it is important to choose a third-party provider with expertise in global screening. A fifth of respondents (20%) had staff collecting and verifying written documentation. A small percentage of respondents (10%) reported their organization's staff gathered verification information verbally.

Verification Methods for Employees with Global Backgrounds



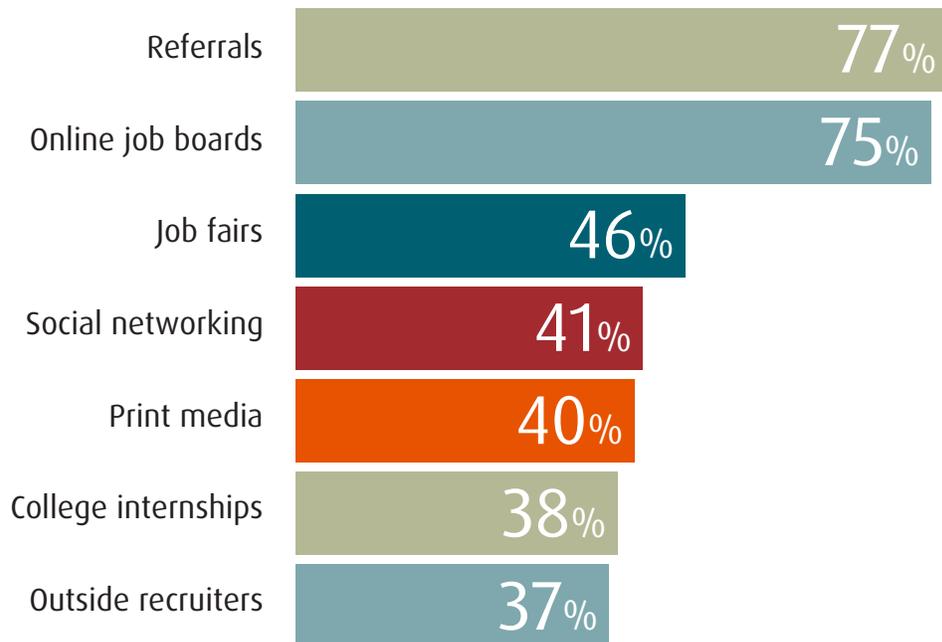
Global Screening Best Practices

Data suggests that organizations are still navigating how to screen employees in non-U.S. locations. For instance, verifications of education and past employment history for locations outside of the United States are rarely done, with only 15% of those organizations surveyed indicating they conduct such checks. There is no question that screening in international locations can be challenging. Following are some best practices to set up an effective program:

- » Check with the management team for any plans that might affect a global background screening policy – such as outsourcing or international expansion. This information can help an organization map out a global background screening policy going forward.
- » For each country where workers have personal, work, and education history find out if there are existing regulations with respect to background screening. Failure to meet a country's regulations could result in an organization being out of compliance in that country or open up an organization to claims that their background screening process is discriminatory.
- » Navigating differences in cultural and social norms is another great reason to enlist a local expert in shaping employment screening policy. Although an organization's global background screening policy may be in compliance with a country's regulations, it does not ensure that the policy will seem appropriate to the workers themselves.
- » Employers may look to a background screening provider to better integrate new global checks into their existing screening program. This can help make the transition to a new global policy easier for human resources personnel. To help ensure that the global screening policy is properly enforced, hold sessions with members of the employment screening team to educate them about the risks of not screening international workers⁷.

⁷ See more at: <http://www.hireright.com/blog/2012/04/5-best-practices-for-global-workforce-background-screening/#sthash.i5tp6yzo.dpuf>

Top Recruiting Methods



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What are the top #recruiting methods by employers?

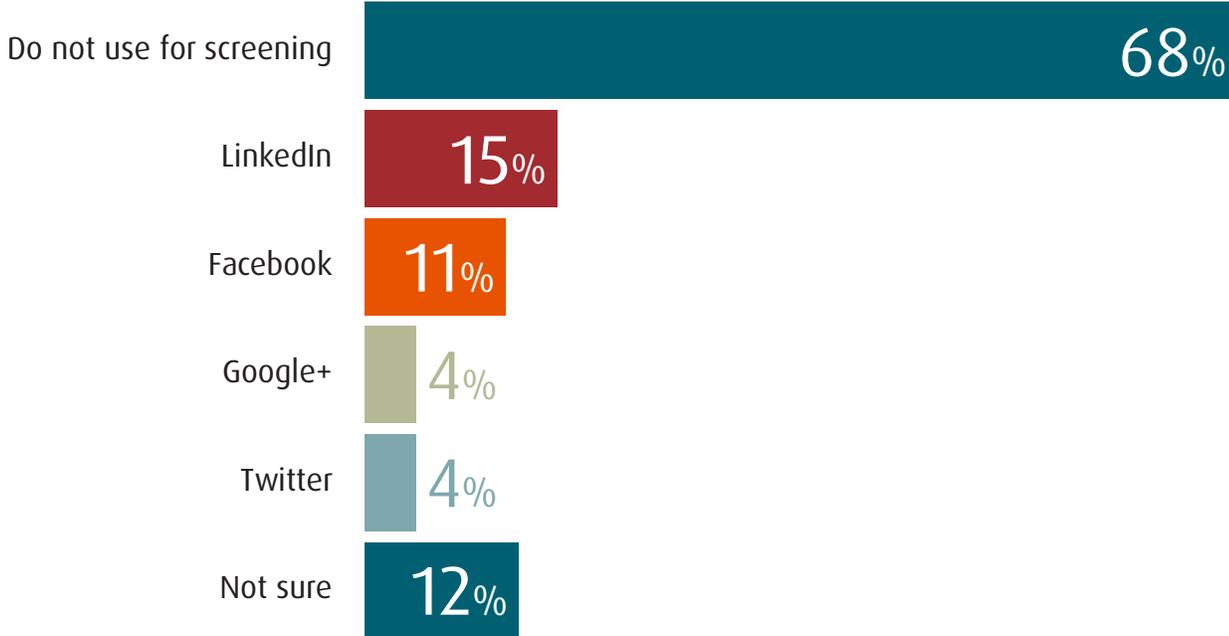
@HireRight Benchmarking Report <http://ar.gy/5hau>

Recruiting

Referrals and online job boards are the most used method to recruit new employees. More than three-quarters of respondents (77%) cited referrals as an effective way to recruit talent. This response was consistent across all organization sizes and industries. Online job boards were also widely used across industries and organizations of all sizes (75%).

Other methods such as college internships and college recruiters were more likely to be used in the health care and financial industries than in other industries. Print media remains an important recruiting tool (40%) particularly in transportation and health care, two industries seeing a chronic shortage of employees during the last several years. Job seekers in transportation often seek employment opportunities published in periodicals which are focused on that market and have wide circulation to truck drivers. Almost half of those surveyed (46%) used job fairs for recruiting, but the results differed by organization size. Organizations of 500 or less employees were less likely to use job fairs than larger organizations.

Social Media Use for Screening



The Social Media Dichotomy

Social Media in Recruiting - Use of social networking continues to soar in popularity. For many recruiters, some of these sites can help locate or identify people with experience or skills that align with open position requirements.

Traditional recruiting methods such as referrals and online job boards were preferred by more than three-quarters of respondents. When asked if Twitter, LinkedIn, and other social media were used, a majority (59%) appeared to be missing out on an opportunity to find qualified applicants, when almost three-quarters (72%) of United States adults who are online use social networking sites⁸. In a competitive hiring environment, it is important to use current recruiting tools.

Integrating social media into recruiting methods is effective especially if an employer does so with a full awareness of the potential issues lurking within. But, are there best practices employers should follow as they add social media to recruiting efforts?

Even though it does not require a significant upfront investment, social media demands significant resources. Any employer can set up a Twitter or Facebook account with a few simple clicks of a button, but to be an effective recruitment tool, social media requires a steady stream of content. Organizations should be willing to allocate the time and people needed so their social media presence is healthy and provides valuable information to their

⁸ <http://pewinternet.org/Reports/2013/social-networking-sites/Findings.aspx>

online communities. Nearly half of workers believe that an employer's social media presence is influential in choosing whether to work for that organization, so not having this presence could be detrimental to some hiring programs⁹.

Social Media in Screening - Although Social Media is used by 41% of respondents for recruiting, significantly fewer responders indicated their organization used social media as part of the screening process. Eighty percent either did not use social media for screening or did not know if their organization used this method.

There are reasons for this disparity. Using information uncovered on social media to eliminate candidates could increase an organization's risk of violating privacy regulations or running afoul of other laws or regulations. For instance, there could be legal liability for an organization if the employer happens to see information on a candidate's profile that provides details on federally protected information like religion, race, age, or disability. If an organization decided to not hire a candidate, even for legitimate reasons, after viewing the candidate's social media profile, simply having viewed such information could leave it vulnerable to claims of discrimination¹⁰.

Social media laws are constantly evolving, and seeking counsel from an attorney familiar with employment issues, privacy, and rulings about social media can help determine the best course of action. Written social media policies, or guidelines to use during the hiring process, are being adopted by an increasing number of organizations.

⁹ <http://pewinternet.org/Reports/2013/social-networking-sites/Findings.aspx>

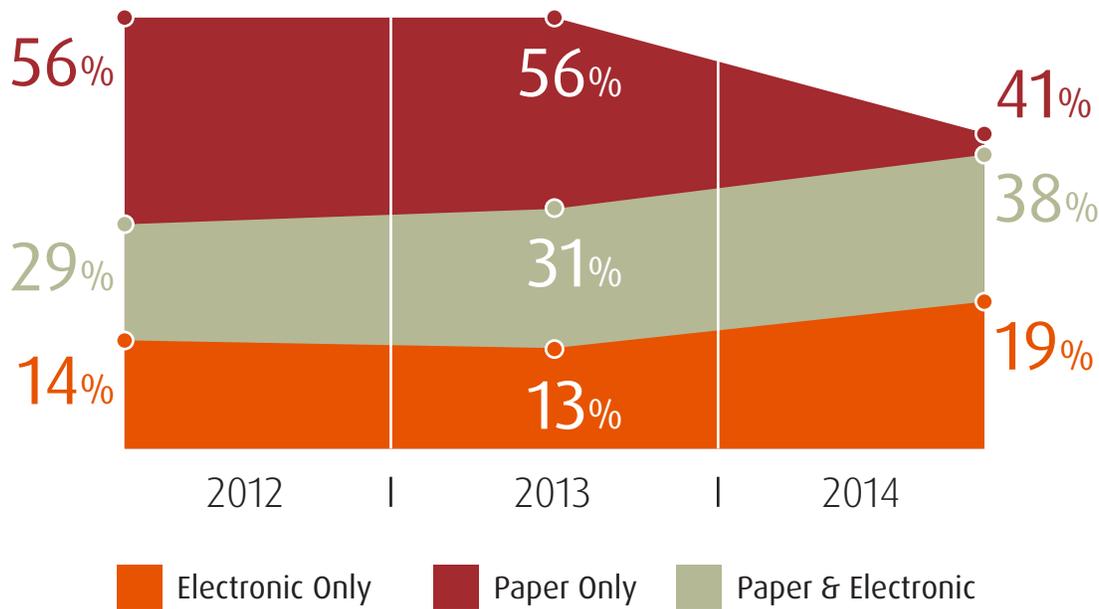
¹⁰ See more at: <http://www.hireright.com/blog/2013/10/3-potential-pitfalls-of-using-social-media-in-your-talent-acquisition-program/#sthash.yuKlfjSA.dpuf>



Pre-employment screening with Social Media

Search

I-9 Process



Employment Verification (I-9 and E-Verify)

Complying with the United States Citizenship and Immigration Services (USCIS) I-9 regulations can be difficult logistically for employers, especially when dealing with remote employees and telecommuters. While the guidelines issued by the USCIS have been updated several times in past years, many questions still remain about the most efficient way to manage this process.

I-9 Storage Moving to Digital

The survey found that more organizations were completing and/or storing I-9 forms electronically. The end-to-end process of filling out and storing I-9 forms electronically was only used by 19% of respondents, up 6% year over year. Respondents using a combination of paper and electronic processes increased by 7% year over year and 9% over the last two years. While the number of respondents who completed and stored I-9 forms on paper only dropped 15% year over year, it is still the process that most respondents use.

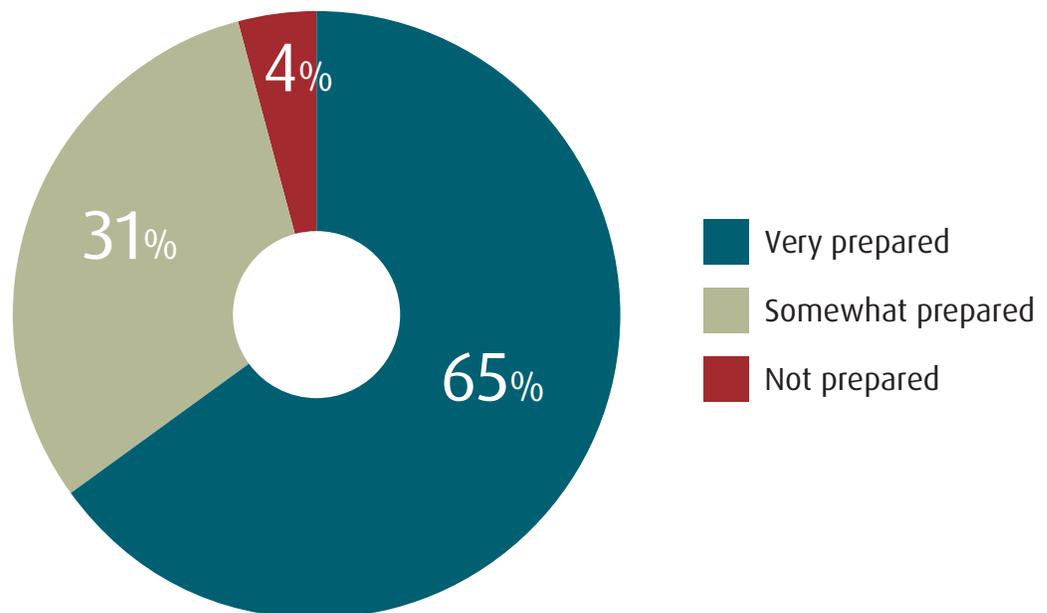
For many organizations, an I-9 form and related process may be perceived to be simple, but the reality is quite different. Recently, USCIS estimated that, cumulatively, organizations spend approximately one million hours per year managing the Form I-9 process. More employers are turning to electronic I-9 systems designed to help eliminate error-prone, paper-based processes, improve efficiency, and streamline manual processes.

There are many benefits to switching to an electronic I-9 form process. It can help prevent mistakes by sending error messages for incomplete or incorrect work. Digital I-9 forms can also help facilitate compliance because automatic reminders can be issued to point out expiring employment authorizations. Having an electronic I-9 form helps ensure that an employer is prepared in the event of an I-9 Form audit by U.S. Immigration and Customs Enforcement (ICE).

Preparedness for an ICE Inspection

Most respondents (64%) believed they were very prepared to respond to an ICE Notice of Inspection (NOI) within three days. Yet the majority of respondents (61%) had never experienced an audit of any type. Though this confidence is commendable, responding to a NOI is quite challenging and just one mistake on an I-9 form can result in a heavy fine in the event of an ICE audit. Since 2009, the Department of Homeland Security (DHS) has cracked down on employers to comply with all employment verification regulations. As a result of increased auditing efforts by ICE, fines on employers have grown from \$1 million in 2009 to \$13 million in 2012. By leaving the “paper trail” behind and moving to the use of electronic I-9 forms and E-Verify, organizations might avoid making mistakes that could lead to steep penalties.

Preparedness for an ICE Inspection

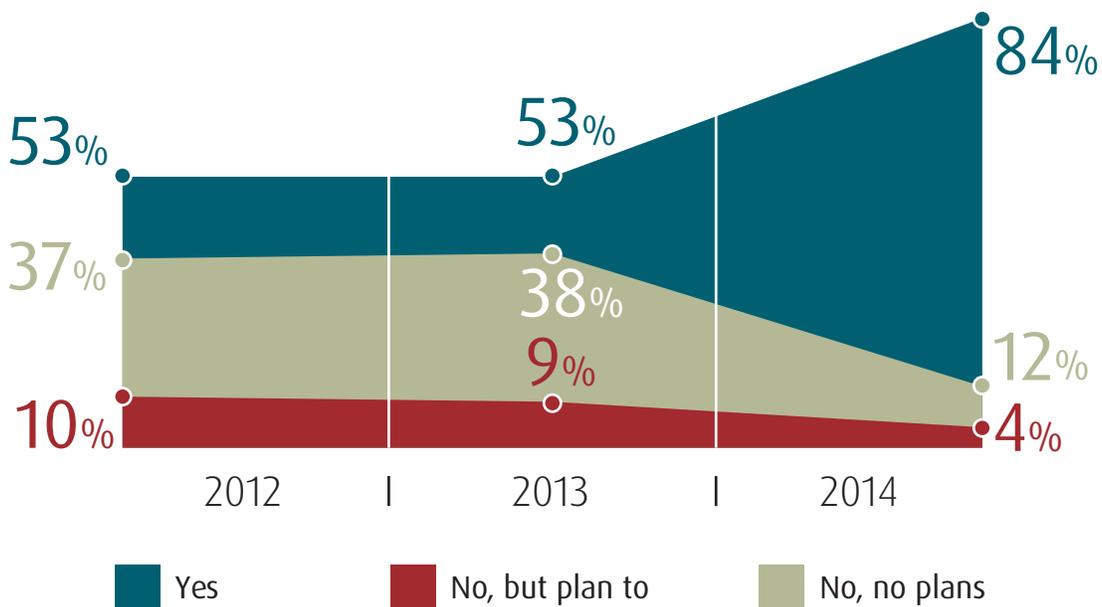


Use of E-Verify

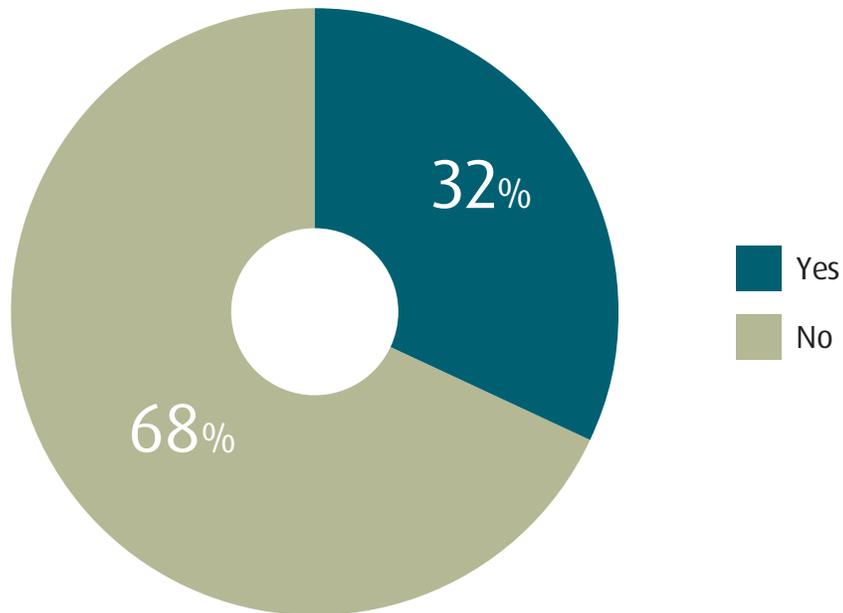
E-Verify is an online program operated jointly by the Department of Homeland Security (DHS) and the Social Security Administration (SSA). E-Verify allows participating employers to check the work status of new hires online by comparing information from an employee's Form I-9 against government databases. Federal government contractors and subcontractors are required to use the E-Verify system. In addition, some states and/or cities require employers to verify eligibility for employment through E-Verify.

E-Verify use by organizations was up 31% year over year. This year, a majority of respondents (84%) accessed E-Verify. This increase may be attributed to state and local laws requiring the use of E-Verify for some or all types of positions, improved confidence in the data found in the E-Verify database, and the efficiency in which E-Verify requests are processed through electronic I-9 solutions.

E-Verify Use



Screen External Workforce



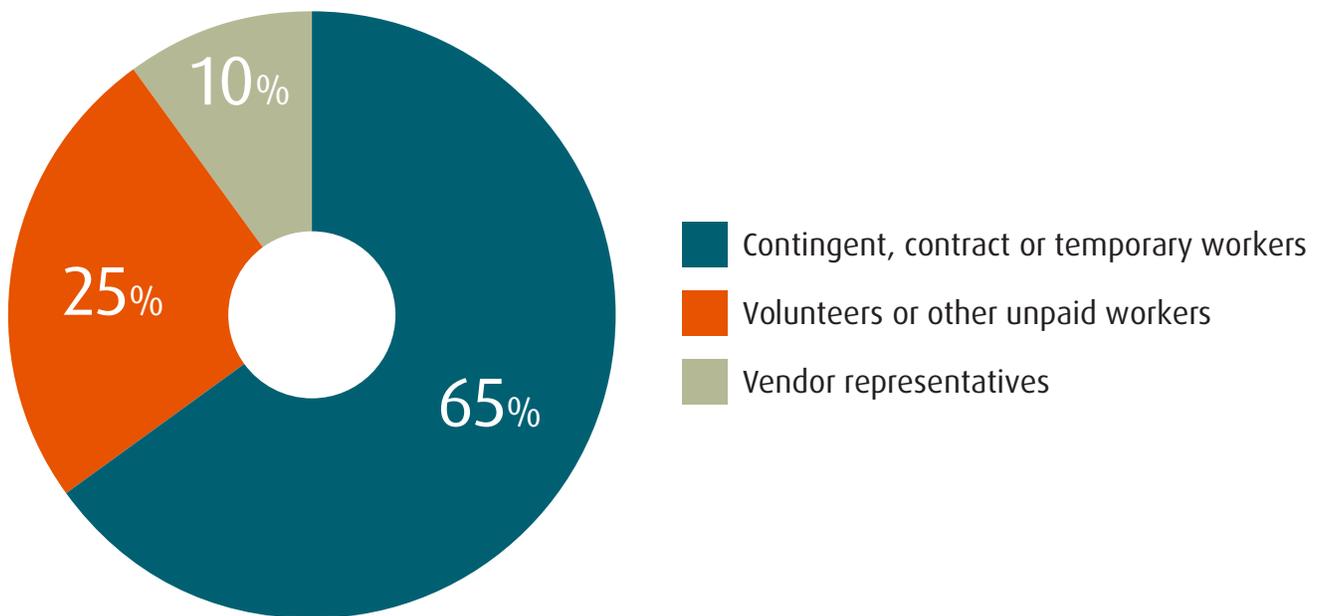
Contingent/Temporary Workforce Screening

Most organizations have some workers who are classified as non-employees; this category may include contract employees, temporary workers, contingent workers, volunteers, and vendors. Having effective screening practices for this group of workers is an important step in risk mitigation. Use of a contingent workforce can vary greatly by industry. Overall, most respondents (53%) reported that non-employees in their organization constituted 10% or less of workers, and nearly half (47%) said their non-employees represented greater than 10% of workers. Organizations in the transportation and retail industries had significantly higher percentages of temporary workers, a difference due in part to seasonal demand when the workforce is more transient.

- » Transportation: 37% indicated 30% or more of their workforce were contingent
- » Retail: 44% indicated 30% or more of their workforce were contingent

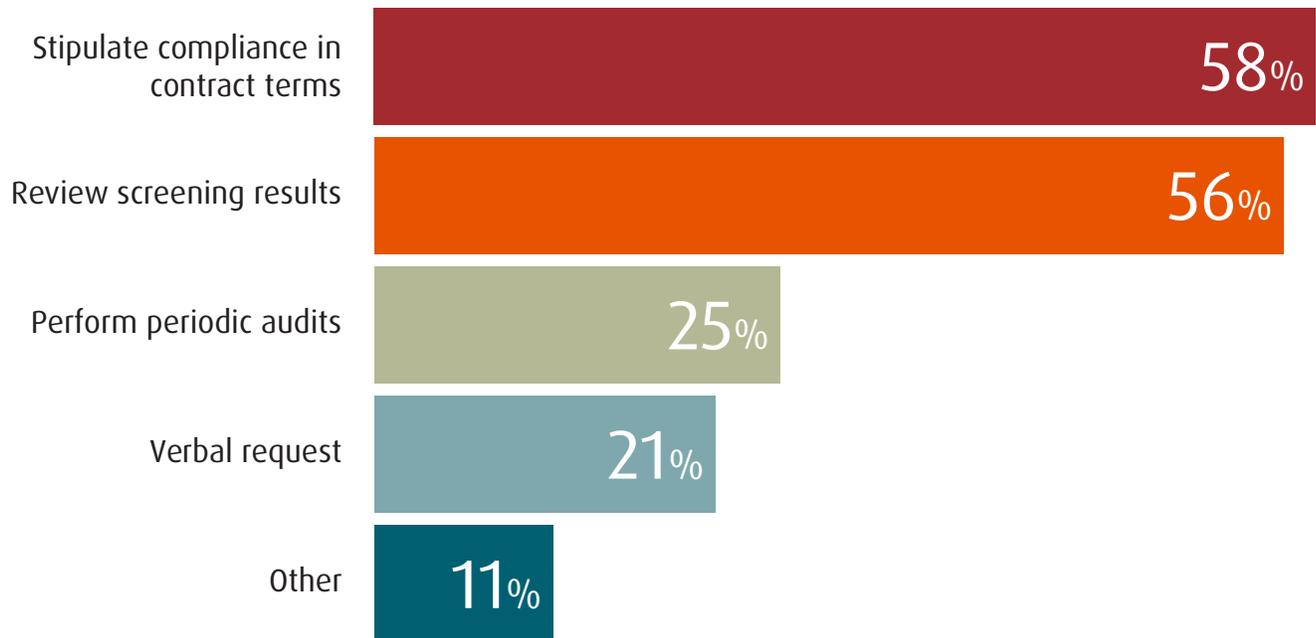
Thirty-two percent of responders indicated that their organization screens non-employees, and within that group, 65% screen contingent, temporary, or contract workers. A much smaller number, 25%, said they screened vendors or volunteers. Non-employees can pose many of the same risks as do employees, and diligence in screening these members of the workforce is a best practice.

Non-Employees Subject to Background Screening



Seventy-four percent of respondents said they used staffing agencies to supply temporary workers. Of those respondents, 58% made sure their organization's screening policies were stipulated in contracts. Almost half of respondents (56%) said they review the screening results before on-boarding, and 25% of the respondents perform audits on their agencies' screening. Although it may involve extra work, a best practice for screening non-employees is to both trust and verify that an agency or third party is properly screening workers to mitigate security gaps.

Ensuring Staffing Agency Screens Non-Employees



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