Technology's Impact on Background Screening

The landscape of corporate America is changing, insisting that background checks become part of the norm

By W. Barry Nixon

IT has been said that the only thing that is constant in life is change. If this is the case, the background screening industry is certainly a good example.

Background investigations have been around a long time. Most of us are familiar with the arduous and extensive process that individuals who apply for "top secret" clearance or law enforcement go through. This process can take several months for to be completed. In the past, only government, law enforcement and military agencies subjected applicants to this type of background check.

However, in today's fast-paced, Internet-centric, security-focused and litigious business environment, background screening has become a norm that is part of the hiring landscape of corporate America.

Along with this, technology advances continue to impact the way we conduct business and are having a profound effect on the background screening industry. Advances in integrating information systems are creating the capability to access business information easily through one source, which is transforming background screening systems that have historically been standalone feeds. In addition, biomedical advances that once were viewed as science fiction are leading to the emergence of intelligent identifiers, which have the potential to trace people at an unprecedented level.

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Impact of Information Technology

With the Internet being woven into the fiber of how business is conducted, background screening has been significantly impacted by information technologies. Much of this has been driven by the need for speed and multiple data sources. Consequently, it should be no surprise that information technology developments will continue to drive many changes in background screening.

"With the recent changes in the political wind on the use of law enforcement databases, background checking companies will need to understand their use and integrate the access and data into their product offerings," said Kim Kerr, marketing director, Lexus/Nexus Screening Solutions. "Approximately 40 percent of the records in the NCIC need disposition updates."

Kerr sees this as a opportunity for companies to solve problems surrounding national databases.

Another positive outcome related to accessibility of data could be a more cooperative nature between law enforcement agencies and the private sector, said Dennis Drellishak, Corporate Screening Services.

"This could create new sources of information and easier access," he said.

Drellishak also believes that employers are going to increasingly want the ability to customize reports, particularly within specialized industries.

"Clients will want more access to administrative reports that relate to their program online," he said. "In other words, they will want more freedom to run their own statistical reports from a screening company's Web site."

The trend toward online access to court records presents a potential double-edge challenge: The good news for employers is that direct access online certainly makes records available quickly; the bad news is the risk of inaccurate information and the possibility of viewing illegal information.

Important questions employers need to ask when directly accessing online court records include:

- Are the online court records accurate?
- How far back do the records go?
- Do the court records have identifiers?

"Technology and integration will affect the industry more in 2005 than ever before," said Barry Nadell, president, InfoLink Screening Services Inc. "More and more companies are accessing applicant tracking (ATS) and HRIS systems and wish them integrated with background screening for faster speed of processing with less human intervention."

Jon Grossman, president and COO of CAP Index Inc., recognizes the emerging focus on enterprise information management and believes that security managers need to seize the opportunity to work with their IT departments to build security, threat and risk dashboards to make integrated and usable information readily available to management to support proactive decision-making.

Grossman recommends that this "corporate dashboard" include pre-employment background screening data; reported workplace crime, safety and threat incidents; logs of employee hotline calls; geographic crime vulnerability data; threat proximity identifying terrorist and crime targets; and homeland security information.

Thus, companies must now determine how to bring screening searches into the mainstream of HR/employment processes and systems so that security, HR and

management will be able to easily view relevant information as an integral part of their enterprise management system. The days of the standalone background screening system appear to be numbered.

Impact of Biomedical Technology

Beyond the traditional information technology issues, several other technologies are likely to intersect with background screening. There has been an explosion of identifying technologies since 9/11, and this trend can be expected to intensify for many years to come as the war on terrorism continues. From fingerprint, iris and retina scans, to face and voice recognition, the race to find the perfect identifier has heated up. An early shot in this battle was fired by the National Institute of Standards and Technology in a recent study that confirms that fingerprints are still king.

Fingerprint identification systems have approached 99-percent accuracy and, perhaps more importantly, a slim 0.01 false-positive rate -- or about one in 10,000 scans resulting in a misidentification. The NIST study tested 34 fingerprint ID systems from 18 companies. About 25,000 people supplied about 50,000 sets of fingerprints -- in all about 400,000 distinct digital images of digits.

The best systems reached 98.6-percent accuracy for a single-print match. Predictably, the more prints that matched, the higher the accuracy rate. Two-finger matches were accurate 99.6 percent of the time, and four or more fingers, 99.9 percent.

The results of this study are unlikely to stem the tide of researchers searching for the holy grail of identifiers. Implantable chips could offer instant access to applicant or employee data and make it easy for individuals to show certain levels of security clearance. These high-technology identifiers are likely to battle it out for a while. However, DNA may very well prove to be the ultimate identifier, even though there are voluminous issues associated with giving employers access to this information that must be overcome. Only time will tell us which technology prevails.

These new potential identifiers have far-reaching implications for background screening; one of the essential ingredients of an effective and valid check is being able to positively identify the person you are screening. False negatives lead to a myriad of problems for employers and can end up in costly lawsuits. A recent case illustrates this point:

In less than three years, James R. Gorman became manager of $100 million in client accounts for The Vanguard Group. When Gorman's Pennsylvania insurance license came up for renewal, though, the company found a problem when performing his background check. Gorman had pleaded guilty to loan and credit card fraud. He was a convicted felon. So Vanguard did what any financial services company would do: fire him.

There was just one problem: They got the wrong guy. The James R. Gorman who worked for Vanguard had a different Social Security number, date of birth and address than the James R. Gorman whose conviction record had been unearthed.

Companies must ensure they have a positive match from screening data, or other costly problems will occur. This is when the due diligence of having well-trained internal investigators or selecting a high-quality firm to conduct your screening truly pays off.

We can virtually be assured that technological advances will not only continue, but will likely do so at an accelerated pace. Thus, firms involved with background screening need to get prepared for the ride because lots of changes are likely to be coming their way via the technology highway.

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