

## How an employee background check works

Over the past few years pre-employment background checks have gained significance for employers big and small. Companies can either execute the required activities in-house or can outsource them to human resource companies that specialize in carrying out background checks. There is a lot of paper-work, co-ordination, and follow-up that goes into conducting a background check and for this reasons companies prefer to get the job done by an outside agency. The background checks have to be done in accordance with the Fair Credit Reporting Act (FCRA). According to the FCRA, an individual who earns less than \$ 75,000 per annum cannot be reported for criminal acts that are more than seven years old. Also, the checks can only be done with the signed consent of a job seeker. Companies that wish to execute background checks should do so as a matter of policy and should make this known to job seekers. This acts as a deterrent for applicants who intend to hide information. if an external agency is hired to do the check then one should check if the agency is conversant with FCRA requirements, relevant state and federal laws, and the equal employment opportunity laws. The sources from which the company obtains its information should be verifiable. Normally, the information is acquired from consumer reporting agencies that report on education, credit history, and criminal records.



A standard employee background check verifies driving and credit records, employment background, Social Security Number, education, and military background. The check can also include drug tests and checking on references provided. The nature of the background check varies with job requirements, for example drivers are normally subjected to a stricter reference check and their motor-vehicle records are looked at more closely. Similarly, the credit records of accountants and those who may be required to manage a companys finances are scrutinized more than the records of others. When availing the services of an outside agency, factors such as the extent of the check, nature of information desired, contact points at both ends, and person assuring the accuracy

of information provided should be decided beforehand. The contract between an employer and a third party Human Resource company should address privacy and discrimination laws, timeframe for submitting information, indemnities, insurance against errors and omissions, and evidence of professional liability. Employers should compare the data obtained from various sources during the process of a background check. Information in a job applicants resume should be checked with facts stated in the job application. There should be no inconsistencies in the information provided in the cover letter and facts offered during the interview. Common things that [R. PAOLA VARGAS DALY LAWYER](#) are cross-checked include the Social Security number, education, and the date of birth.