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## Review of Private Sector Personnel Screening Practices

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14. ABSTRACT The present study examined the sources and methods used by private organizations for conducting applicant background checks. The goal of this research was to identify potentially advantageous screening practices that could be used in the Department of Defense (DoD) Personnel Security Program for conducting national security background investigations. A total of 82 companies completed a brief screening questionnaire, 54 of those companies answered additional questions, and 22 companies participated in interviews. This study found little evidence to indicate that private sector investigative sources or methods would be useful to the DoD for conducting national security background investigations. The federal government by and large examines more sources and conducts more thorough investigations than industry. In general, private employers (1) have less access to information about applicants; (2) conduct relatively inexpensive investigations in a short amount of time; (3) occasionally use alternative information sources; and (4) outsource many elements of background checks. It is recommended that the DoD periodically evaluate private sector screening programs and data sources in order to monitor progress.					
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## Preface

In the government security community, the thought has often been expressed that some aspects of private sector screening programs are more efficient than national security background investigations. Private sector screening programs seem to perform a similar function as national security programs by screening out personnel to protect assets and appear to do it more quickly and at less cost.

This study was conducted in response to an interest expressed by the Principal Deputy, Assistant Secretary of Defense (Command, Control, Communications, and Intelligence) that private sector screening methods may offer insights to the Department of Defense (DoD) Personnel Security Program. It was undertaken to provide information on private sector applicant screening practices in order to identify advantageous sources and methods for national security background investigations. It was presumed that competitive market forces in industry may foster innovative and exemplary practices that may be useful to the DoD.

This study is a first look by the Defense Personnel Security Research Center (PERSEREC) at private sector screening practices. It serves as a benchmark of current practice and as a foundation for possible further examinations in this area. Our primary finding is that there is very little within private sector screening programs that could be adopted to achieve efficiencies within national security screening programs.

James A. Riedel  
Director



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## Executive Summary

### Purpose

The present study examined the sources and methods used by private organizations for conducting applicant background checks. The goal of this research was to identify potentially advantageous screening practices that could be used in the Department of Defense (DoD) Personnel Security Program for conducting national security background investigations. Our rationale for examining corporate applicant screening programs was based on the assumption that competitive market forces in industry may foster innovative and exemplary practices.

### Approach

A total of 82 companies provided information about their applicant screening programs. All companies completed a brief screening questionnaire, 54 of those companies answered additional questions, and 22 companies participated in interviews. In addition, supporting documents provided by companies, including background verification services, were reviewed for information on products, services, and pricing. Information was examined in terms of the purpose of private sector screening programs, information sources, volume, turnaround, cost, evaluation of investigative results, and acceptability standards. Comparisons were made between private sector screening programs and government screening procedures for national security positions.

### Findings

Most participating private organizations conduct pre-employment background checks to facilitate hiring decisions. This is in contrast to national security background investigations, which are usually conducted after individuals have been hired to determine if they are eligible for access to classified information. The government program is governed by statute and regulation with established procedures for investigation, adjudication, and due process. Most private organizations, on the other hand, conduct their screening programs to avoid negligent hiring and other liabilities. Because there are few regulatory requirements, there is a wide range of private sector programs.

A total of 79 companies (96%) reported that they screen job applicants to satisfy their requirements for asset protection, safety, quality assurance, and regulatory compliance. For over 80% of the respondents violence, theft, fraud, information security, and drug/alcohol abuse were the issues of primary interest. Sixty five percent indicated concern about industrial espionage. Fewer chose foreign connections (39%) or company loyalty (26%) as major concerns.

Private organizations conduct relatively limited, inexpensive background investigations in a short amount of time. They tend to emphasize verification of information provided by the applicant over investigation, and rarely utilize field investigators to conduct face-to-face interviews, record checks, or any other investigative activities. Most investigative elements are conducted electronically or telephonically by service providers or in-house human resources personnel. The exception is public court records verification, which usually necessitates court visits. Interviews are usually limited to previous employers and sometimes include listed character references.

Companies in the present sample reported using an average of seven information sources for applicant background checks. More than 75% of respondents indicated that their applicant screening programs include education verification, criminal convictions as reflected in public court records, reference checks, applicant interviews, motor vehicle reports, and SSN verification. A substantial number of companies also use drug screens, credit reports, and questionnaires. Specialized proprietary databases are sometimes utilized by companies to screen applicants and monitor employees within specific industries. In addition, a relatively small percentage of companies use honesty/integrity tests to help predict job performance and counterproductive behaviors.

Almost 80% of respondents reported spending less than \$100 per investigation, although 11 companies reported spending up to \$200. A total of 37 companies (70%) reported completing less than 300 background checks per month, or less than 3,600 per year, in the United States. One company, which performs background verification for their own as well as other organizations, reported conducting approximately 1 million background checks annually. Most companies complete background checks within four to seven days, and screen out less than three percent of applicants. Most programs were rated as somewhat effective (53%) or very effective (44%).

The scope of private sector applicant screening is often limited by time and budgetary constraints, leaving little opportunity or incentive to expand investigations should derogatory information emerge. Moreover, few companies reported having established acceptability standards or formal adjudication and due process procedures similar to government programs. For instance, hiring managers could almost always override the presence of developed derogatory information. This is in stark contrast to federal personnel security programs with well-documented acceptability standards, adjudication guidelines, and appeal processes. With few exceptions, national security background investigations must adhere to strict guidelines for scoping and adjudication, which invariably increases time and cost.

## **Conclusions**

This study found little evidence of private sector investigative sources or methods that would be useful to the DoD for conducting national security background investigations. The federal government by and large examines more sources and conducts more thorough investigations than does industry. The government also has more stringent due process requirements which necessitate more extensive investigative procedures. The investigative sources and methods used by private organizations are sometimes industry-specific and usually limited in scope. This relatively narrow compass results in reduced cost, but also, perhaps, decreased productivity of sources. Future research should examine whether doing less, thereby saving time and money, produces results that are adequate for national security purposes.

In addition, it may be useful to periodically evaluate private sector screening programs and data sources in order to monitor progress. Information is becoming increasingly available through automation and consolidation of disparate sources. Public entities (e.g., courts) as well as information services provide progressively more information over the Internet, and large background verification services continue to acquire additional information resources. Further consolidation and automation within the information services and background verification industries may lead to more efficient collection practices for national security investigations.

## Table of Contents

<b>Background</b>	<b>1</b>
Purpose	1
Private Sector Applicant Screening	1
National Security Background Investigations	2
<b>Approach</b>	<b>3</b>
Data Collection	3
<b>Results</b>	<b>4</b>
Personnel Security Issues	4
Information Sources Most Frequently Employed	5
Alternate Information Sources	6
Levels of Investigation	6
Background Verification Services	7
Average Cost Per Investigation	9
Volume	9
Turnaround	10
Applicants Screened Out	10
Program Effectiveness	11
Program Evaluation and Documentation	11
Strengths and Weaknesses	12
<b>Discussion</b>	<b>12</b>
<b>References</b>	<b>17</b>
<b>Appendix A: Investigative Requirements for Single Scope Background Investigations</b>	<b>A-1</b>
<b>Appendix B: Abbreviated Participant List</b>	<b>B-1</b>
<b>Appendix C: Modified Screening Questionnaire</b>	<b>C-1</b>
<b>Appendix D: Alphabetical List of Common Information Sources and Brief Descriptions</b>	<b>D-1</b>

## List of Tables

1. Personnel Security Issues of Primary Interest	5
2. Information Sources Most Frequently Employed	6

3.	Companies Reporting Different Types of Investigations for Screening Applicants and Monitoring Employees _____	8
4.	Price Range for Basic Background Verification Services _____	9
5.	Reported Average Cost of Background Checks _____	9
6.	Number of Cases Completed Monthly _____	10
7.	Average Number of Days to Complete Background Checks _____	10
8.	Number of Applicants Screened Out as a Result of Background Checks _____	11
9.	General Program Effectiveness _____	11
10.	Number of Companies Conducting Different Types of Program Evaluation and Documentation _____	11
11.	Program Evaluation as a Function of Policy Documentation _____	12

# Background

## Purpose

Background investigations have long been a part of U.S. government employment and personnel security programs. Many private organizations also conduct background checks as part of the hiring process to enhance asset protection and workplace safety. With the growing availability of large databases containing information on individuals coupled with electronic means for retrieving this information, the manner in which job applicants are being screened is changing. Consolidated databases and the growth of the Internet have made it easier to check applicant backgrounds. This study examined whether these changes in information availability have fostered screening practices that may be of use in government programs for conducting national security background investigations. Specifically, the purpose of this study was to identify private sector investigative sources and methods that might be used in the Department of Defense (DoD) Personnel Security Program for determining eligibility for access to classified information. Our rationale for examining corporate applicant screening programs was based on the assumption that competitive market forces in industry may foster innovation and exemplary practices.

## Private Sector Applicant Screening

Private companies screen job applicants for a variety of reasons. Increased awareness of violent crime in the workplace and negligent hiring/retention litigation have compelled employers to conduct background checks. Employers have an obligation to provide a safe workplace for employees and customers, and, therefore, must perform due diligence to avoid costly negligent hiring and retention lawsuits (Philbrick, Bart, & Hass, 1999). Industry considers the costs of conducting background checks well justified compared to the potential costs of litigation or employee turnover resulting from inappropriate selection.

Some regulated industries must screen potential employees in order to avoid severe penalties. For example, financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) are prohibited from hiring any person convicted of a crime involving dishonesty, breach of trust, or money laundering. Violations are punishable by imprisonment and fines up to \$1,000,000 for each day of infringement. Not surprisingly, financial institutions have some of the most sophisticated private sector screening programs.

Private organizations conduct relatively limited, inexpensive background investigations in a short amount of time. Private employers tend to emphasize background verification over investigation and rarely use investigators to conduct face-to-face interviews. Most investigative elements are conducted electronically or by telephone, with the possible exception of public court records verification. Interviews are usually limited to previous employers and sometimes include listed character references. Furthermore, the response to reference inquiries is often very limited due to fear of defamation lawsuits by the applicant (Bahls, 1999).

The scope of private sector screening is also limited by federal and state legislation. Background information obtained for employment purposes must be demonstrably related to the position for which the person is applying, and the acquisition of background information is limited by laws that protect individual rights (e.g., privacy, employment, etc.). Some notable examples of federal legislation that affect applicant screening are the Fair Credit Reporting Act (FCRA), the Americans with Disabilities Act, and Title VII of the Civil Rights Act. Taken together, these legal restrictions impact the type of information that is collected and how it is used.

Of all federal legislation, the FCRA has the most direct impact on applicant screening programs. It protects consumers by ensuring the accuracy, fairness, and privacy of information provided by consumer reporting agencies to creditors, employers, insurers, and other businesses. All types of information collected and sold by consumer reporting agencies are covered by the FCRA, which limits the scope and potential uses of that information (e.g., employment, credit, and insurance). Furthermore, FCRA mandates procedures for handling negative decisions based on information provided by consumer reporting agencies.

### **National Security Background Investigations**

The DoD conducts national security background investigations in accordance with Executive Orders 10450 (1953) and 12968 (1995) to determine if individuals are eligible for access to classified information. The purpose of national security background investigations is to examine applicants' reliability, trustworthiness, conduct, character, and loyalty to the United States to determine if eligibility is clearly consistent with national security interests. These investigations usually are conducted after the employee has been hired.

The DoD conducts different types of investigations for different levels of clearance. The investigative sources typically include record checks, interviews, and security questionnaires and covers between 7 to 10 years of an individual's background. The most extensive investigations are for access to Top Secret and Sensitive Compartmented Information (SCI). Known as Single Scope Background Investigations (SSBI), these investigations include a comprehensive security questionnaire; an interview with the subject of the investigation; interviews at all places of employment of six months or more, at all places of residence of six months or more, and other character references; record checks with national agencies to include FBI records, military records, and local agency checks to include police, court, and other criminal administration agencies. Local agency checks, which often include access to juvenile records, are assured by the Security Clearance Information Act (SCIA) which requires local authorities to cooperate with federal investigations for national security. Other record checks include credit, education, citizenship, and public records related to divorce, bankruptcy, and other civil and criminal actions related to the subject. (See Appendix A for SSBI investigative requirements.) Investigations for access to Secret or Confidential information consist of national agency checks, local agency checks, and credit checks and are known as the NACLIC. Since the NACLIC primarily uses record sources, it is the type of national security investigation that is most similar to private sector screening.

## **Approach**

This study was a survey of private sector applicant screening practices. Participation was solicited through professional associations and business contacts/referrals. The majority of study participants were contacted by e-mail through the International Security Management Association (ISMA) and the International Electronics Security Group (IESG). The use of industrial security associations provided an efficient means of contacting companies with at least some interest in personnel security issues. Points of contact at both organizations were arranged through a local security consultant. The ISMA board of directors approved the study proposal and agreed to e-mail cover letters and questionnaires to their members. IESG members were e-mailed a brief description of the study and invited to participate. Additional participants were identified through referral.

Overall, 82 companies participated in this study. Most respondents were security directors at very large corporations from across the industrial spectrum. Fifty percent of participating companies had contracts with the federal government, and 66% of these were defense contractors.

The study focussed on companies that formed part of the nation's critical infrastructure, which includes public and private systems essential to economic and government operations (e.g., telecommunications, energy, banking and finance, transportation, water systems, and emergency services). Emphasis was placed on obtaining a sample of these types of companies because of the preponderance of sensitive positions which are similar to national security positions. The critical infrastructure was represented by companies in the following categories: 19 information and communications, 5 electrical power systems, 5 gas and oil production/storage/transportation, 9 banking and finance, 7 transportation, and 1 water supply system. An abbreviated list of study participants is included as Appendix B; 39 respondents elected to keep their participation confidential.

It should be noted that results obtained from these companies (22% response rate) may not be representative of industry in general. Nonresponse bias is of particular concern because companies that did not return the screening questionnaire may differ in important ways from respondents. It is possible, for instance, that companies without formal screening programs also chose not to participate in this study. Nevertheless, the present findings are compelling because they represent the practices of some very large and influential organizations.

### **Data Collection**

Data were collected with a questionnaire and follow-up interviews. The questionnaire was used to collect basic information about corporate screening programs and to identify organizations for more thorough follow-up. The questionnaire included items about locus of screening responsibility, security issues, information sources, volume, cost, timeliness, general effectiveness, program evaluation, and program documentation. The questionnaire is included in this report as Appendix C.

At the outset, participants were asked to complete a short form of the questionnaire either as an e-mail attachment or online at the study Web site. Respondents were asked about their willingness for further contact, and those who responded affirmatively were sent additional questions. A total of 82 companies completed the short form of the questionnaire, and 54 (66%) of those companies agreed to answer the additional questions.

Follow-up interviews were conducted with 22 (41%) of the respondents who completed the entire questionnaire. The purpose of the interviews was to obtain more detailed information about corporate screening practices, as well as to clarify issues from the questionnaire. Interviews were semi-structured and conducted either on-site or by telephone. Questionnaire responses were used as a basis for further discussion about program rationale, implementation, information sources, collection methods, as well as issues not covered in the questionnaire, such as adjudication and due process.

Supporting documents (e.g., policy manuals, promotional materials, and additional e-mail inquiries) were collected from some organizations. In addition, Lexis-Nexis searches were performed periodically to review relevant news, periodical, newsletter, and online publications. End user, service provider,<sup>1</sup> and government Web sites also were reviewed for information on products, services, and prices.

## Results

A total of 79 companies (96%) reported that they screen job applicants to determine if they are trustworthy and reliable. The most frequently expressed reasons for screening were safety, asset protection, workforce integrity, and workforce quality. Additionally, 55 companies (67%) reported that they monitor current employees, although the nature of employee monitoring was unclear. Based on anecdotal evidence, it appeared that companies typically respond to employee problems as they arise, as opposed to a formal continuous evaluation program.

### Personnel Security Issues

Table 1 displays the personnel security issues of primary interest for the 54 companies that completed the entire questionnaire. For over 80% of the respondents violence, theft, fraud, information security, and drug/alcohol abuse were the issues of primary interest. Sixty five percent indicated concern about industrial espionage. Fewer chose foreign connections (39%) or company loyalty (26%) as a major concern. Other notable issues were intellectual property protection, financial/credit problems, civil litigation, mental health issues, company ethics, executive protection, academic misconduct, falsification, regulatory compliance, and driving problems. It should be noted that while these issues are of concern, companies do not necessarily address them in their applicant screening programs.

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<sup>1</sup> In this report, *consumer reporting agencies* that conduct background checks for employers also will be referred to as *background verification services* or *service providers*.

**Table 1**  
**Personnel Security Issues of Primary Interest<sup>a</sup>**

<i>Issue</i>	<i>n</i>	<i>%</i>
Violence	51	94
Theft	47	87
Fraud	46	85
Information Security	46	85
Drug/Alcohol Abuse	44	81
Industrial Espionage	35	65
Foreign Connections	21	39
Company Loyalty	14	26
Other	15	28

<sup>a</sup>n = 54.

### **Information Sources Most Frequently Employed**

Companies in the present sample reported using an average of seven information sources for applicant background checks. As can be seen in Table 2, more than 75% of respondents indicated that their applicant screening programs include education verification, criminal convictions as reflected in public court records, reference checks, applicant interviews, motor vehicle reports, and SSN verification. A substantial number of companies also use drug screens, credit reports, and questionnaires. Relatively few respondents indicated the use of medical records, worker's compensation history, or honesty/integrity tests to screen applicants. Responses to the "Other" category included checks of: National Association of Securities Dealers (NASD) Central Registration Depository,<sup>2</sup> United Kingdom (UK) national insurance,<sup>3</sup> credential verification, military records, civil court records, media inquiries, regulatory agency records, address verification, bankruptcy records, tax records, birth/vital statistics, and psychological tests.

<sup>2</sup> The NASD Central Registration Depository provides employment related information for employees and securities dealers with participating financial institutions.

<sup>3</sup> Records of national employee insurance program (social security) in the United Kingdom.

**Table 2**  
**Information Sources Most Frequently Employed<sup>a</sup>**

<i>Information Source</i>	<i>n</i>	<i>%</i>
Education Verification	74	90
Criminal Conviction Records	72	88
Reference Checks	68	83
Applicant Interviews	65	79
Motor Vehicle Reports	65	79
SSN Verification	63	77
Drug Screens	55	67
Credit Reports	51	62
Questionnaires <sup>b</sup>	39	48
Medical Records	11	13
Worker's Compensation History	10	12
Honesty/Integrity Tests	8	10
Other	16	20

<sup>a</sup>n = 82.

<sup>b</sup>It is unclear whether responses to this item refer to employment applications or separate security questionnaires.

Additional information sources were identified during interviews and site visits. Some companies reported using state gun ownership records where available, customer records, voter registration records, and a proprietary retail theft database (See Appendix D for brief descriptions of these sources).

#### **Alternative Information Sources**

Specialized databases like the National Association of Securities Dealers (NASD) Central Registration Depository and Esteem® are sometimes utilized by companies to screen applicants and monitor employees within specific industries. The information contained in NASD records is limited to registered securities dealers at member companies. Esteem®, a proprietary database of Pinkerton Services Group (PSG), contains records of individuals from member companies who have signed a confession or were referred for prosecution for theft. In addition, PSG has recently expanded the database to include public criminal records from its investigations.

A relatively small percentage of companies use honesty/integrity tests to help predict job performance and counterproductive behaviors. These kinds of tests have been available for a long time, and have received a good deal of attention in the personnel selection research literature (e.g., Ones, Viswesvaran, & Schmidt, 1993).

#### **Levels of Investigation**

Interview and open-ended response data were analyzed to see how many companies conduct different types of investigations for different categories of employees. A total of 22 out of 30 companies (73%) with relevant information reported different levels of investigation for junior versus senior level employees, and/or as a function of position sensitivity. Many companies have a basic-level investigation plus additional checks for senior management, information technology personnel, and other fiduciary

positions. Basic-level investigations usually consist of interviews, reference checks, criminal conviction records, education verification, motor vehicle reports, and SSN verification. Additional checks typically include credit reports, civil court records, character references, and media inquiries for executives.

Fidelity Security Services, Inc. (FSS), a subsidiary of Fidelity Investments, is a financial institution that conducts five types of background checks, which are regulated by the Securities and Exchange Commission (SEC) and, owing to the risks inherent in their businesses, are more comprehensive than those conducted by many employers. The sources they check may include employment references, education records, credit history, military records, NASD Central Registration Depository, corporate affiliation records, media inquiries, civil court records, and FBI fingerprint records. Most of the investigative elements are conducted internally. However, some (e.g., criminal and motor vehicle checks) are outsourced to service providers. FSS operates a relatively high volume program, with an average cost per investigation that is slightly higher than the average for other companies in the present sample. The turnaround for completing investigations also is slightly longer, taking more than 14 days.<sup>4</sup>

The five types of investigations they conduct are:

- A pre-employment check on all applicants completed within 24 hours (SSN verification, personal information consistency, credit check, education verification, and regulatory check);
- A more extensive background investigation after an offer of employment has been accepted (includes results of the pre-employment check plus criminal history check, employment verification, as well as military and motor vehicle records if applicable);
- An executive background investigation for senior managers that includes additional checks (e.g., civil litigation search, corporate affiliations search, and media search);
- A limited background investigation for contractors in non-sensitive positions (SSN verification, credit check, personal information consistency, and criminal history check); and
- A supplemental investigation after a case has been closed to include additional information or resolve derogatory findings.

### **Background Verification Services**

Public and private organizations both outsource a variety of business services, including human resources and security oriented functions (Brown et al., 1999). Many companies outsource background checks and other applicant screening procedures to firms that can conduct investigations in a relatively short amount of time, at relatively low cost, and often with national coverage. Recent advances in information technology

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<sup>4</sup> Part of the background check is completed within 24 hours and prior to employment. The remainder of the check is initiated after an offer has been accepted and may take several weeks to complete due to delays in obtaining employment references, criminal records from the FBI, and military records.

(e.g., growth of the Internet and the availability of public and proprietary databases) have facilitated outsourcing in many areas (Abel et al., 1999).

Outsourcing background checks is cost effective for many businesses because service providers are able to take advantage of economies of scale and utilize court research networks to verify criminal history information. They verify most municipal, county, and state court records at the source, despite some online access to court records. With hundreds of repositories nationwide, this can be a very expensive task for the employer that service providers are better equipped to perform.

Table 3 shows the use of external service providers by the companies participating in the present study. It shows the number of companies that screen and monitor in-house, use external service providers (outsource), or use a combination of both. As can be seen in Table 3, 88% of the 79 companies that screen job applicants outsource at least part of the investigation, with 18% outsourcing the entire process. In-house applicant screening was reported by 13% of the companies.

Only 55 companies reported that they monitor employees for trustworthiness and reliability after employment. Of those that do monitor, 44% outsource part of the process, 4% outsource the entire process, and 53% utilize internal resources. According to interview sources, employee monitoring tends to occur due to irregular employee performance on the job. The higher use of in-house resources for employee monitoring probably reflects a need for a different kind of investigation than that used for applicant screening.

**Table 3**  
**Companies Reporting Different Types of Investigations for Screening Applicants and Monitoring Employees**

	<i>In-House</i>		<i>Outsourced</i>		<i>Both</i>	
	n	%	n	%	n	%
Applicant Screening <sup>a</sup>	10	13	14	18	55	70
Employee Monitoring <sup>b</sup>	29	53	2	4	24	44

<sup>a</sup>n = 79 for Applicant Screening.

<sup>b</sup>n = 55 for Employee Monitoring.

Companies that specialize in background verification usually provide a variety of services. For instance, Pinkerton Services Group (PSG), a division of Pinkerton's, Inc., operates a high volume, comprehensive applicant screening service for its own as well as other organizations. PSG conducts over 1 million background checks annually. Their services include recruitment, assessment, background verification, adjudication, and communications solutions. The company has a largely automated verification process with a number of quality control mechanisms. Most inquiries and information transactions are conducted either by telephone, facsimile, or computer. PSG trains and audits court research personnel to gather accurate information from public court records.

Most service providers offer background verification packages for different types of positions and industries. Standard prices usually include a basic fee for service in addition to any source processing fees (e.g., fees charged by courts for processing

information requests). Pricing is determined by the volume of business provided by the customer, jurisdiction, and whether searches are automated or on-site. Table 4 displays the range of advertised prices for basic services offered by five companies. (See Appendix D for brief descriptions of typical screening services.) Other types of searches are available from some service providers. Table 4 lists prices per unit and does not include additional processing fees.

**Table 4**  
**Price Range for Basic Background Verification Services<sup>a</sup>**

<i>Search Type</i>	<i>Low Price(\$)</i>	<i>High Price(\$)</i>
County Criminal Records	10	35
State Criminal Records	12	50
Federal Criminal Records	16	20
Motor Vehicle Reports	3	20
Civil Court Records	5	28
Worker's Compensation History	6	32
Credit Reports	8	15
Reference Checks	9	13
SSN Verification	3	8
Education Verification	8	12
Credential Verification	8	16
Bankruptcy Records	26	28
Military Records	35	35

<sup>a</sup>n = 5.

### Average Cost Per Investigation

Table 5 shows the reported average cost for conducting background checks for the companies participating in this survey. Almost 80% of respondents reported spending less than \$100 per investigation, although 11 companies reported spending up to \$200.

**Table 5**  
**Reported Average Cost of Background Checks<sup>a</sup>**

		<i>n</i>	<i>%</i>	<i>Cumulative %</i>
<b>Average Cost (\$)</b>	< 30	5	9	9
	30 – 50	9	17	26
	51 – 100	28	53	79
	101 – 200	11	21	100
<b>Total</b>		53	100	

<sup>a</sup>n = 54.

### Volume

Table 6 shows the reported number of background checks completed monthly by study respondents within the United States and other countries. A total of 37 companies (70%) reported completing less than 300 background checks per month, or less than

3,600 per year, in the United States. One company, Pinkerton Services Group, reported conducting approximately one million background checks per year.

**Table 6**  
**Number of Cases Completed Monthly<sup>a</sup>**

		<i>n</i>	%	<i>Cumulative %</i>
<b>Cases Monthly (US)</b>	< 100	20	38	38
	100 – 300	17	32	70
	301 – 600	6	11	81
	601 – 1000	5	9	90
	> 1000	5	9	100
<b>Total</b>		53	100	
<b>Cases Monthly (Other)</b>	None	22	45	45
	< 100	25	51	96
	100 – 300	2	4	100
<b>Total</b>		49	100	

<sup>a</sup>n = 54.

### Turnaround

Table 7 shows the average number of days required to complete background checks reported by companies in this study. Most companies complete background checks within four to seven days.

**Table 7**  
**Average Number of Days to Complete Background Checks<sup>a</sup>**

		<i>n</i>	%	<i>Cumulative %</i>
<b>Turnaround (Days)</b>	< 2	3	6	6
	2 – 3	14	26	32
	4 – 7	30	56	88
	8 – 14	5	9	97
	> 14	2	4	100
<b>Total</b>		54	100	

<sup>a</sup>n = 54.

### Applicants Screened Out

Table 8 displays the percentage of applicants screened out as a result of background checks. The median number of companies reported that they screen out less than three percent of job applicants based on background verification.

**Table 8**  
**Number of Applicants Screened Out as a Result of Background Checks<sup>a</sup>**

		<i>n</i>	<i>%</i>	<i>Cumulative %</i>
<b>Percent Screened Out</b>	< 2%	13	27	27
	2 - 3%	14	29	56
	4 - 10%	13	27	83
	11 - 25%	6	13	96
	> 25%	2	4	100
<b>Total</b>		<b>48</b>	<b>100</b>	

<sup>a</sup>n = 54.

**Program Effectiveness**

Table 9 shows general program effectiveness as reported by companies in this study. Most programs were rated as somewhat effective (53%) or very effective (44%). Only one respondent rated his/her program as somewhat ineffective.

**Table 9**  
**General Program Effectiveness<sup>a</sup>**

		<i>n</i>	<i>%</i>	<i>Cumulative %</i>
<b>General Effectiveness</b>	Somewhat Ineffective	1	2	2%
	Somewhat Effective	24	53	55%
	Very Effective	20	44	100%
<b>Total</b>		<b>45</b>	<b>100</b>	

<sup>a</sup>n = 54.

**Program Evaluation and Documentation**

The level of program evaluation and documentation varied considerably among companies. Some companies indicated very little formal evaluation and documentation of their applicant screening programs. Others have conducted formal evaluations and cost analyses, as well as produced reports and policy documents. Table 10 shows that formal evaluations and cost analyses have been conducted by less than half of the companies in the present sample. A total of 41 companies (76%), however, have prepared policy documents and reports concerning their screening and monitoring programs.

**Table 10**  
**Number of Companies Conducting Different Types of Program Evaluation and Documentation<sup>a</sup>**

	<i>n</i>	<i>%</i>
Formal Evaluation	19	35
Cost Analysis	23	43
Policy Documents	41	76
Reports	41	76

<sup>a</sup>n = 54.

The data in Table 11 show that companies with policy documents related to applicant screening frequently produce formal evaluations (46%), cost analyses (54%), and reports (93%), while very few programs without policy documents formally evaluate and document their screening practices. Thus, it appears that policy documentation is important for program evaluation and reporting.

**Table 11**  
**Program Evaluation as a Function of Policy Documentation**

		<i>Formal Evaluation</i>		<i>Cost Analysis</i>		<i>Reports</i>	
		<i>No</i>	<i>Yes</i>	<i>No</i>	<i>Yes</i>	<i>No</i>	<i>Yes</i>
Policy Documents	No	13 (100%)	0 (0%)	12 (92%)	1 (8%)	10 (77%)	3 (23%)
	Yes	22 (54%)	19 (46%)	19 (46%)	22 (54%)	3 (7%)	38 (93%)

*Note.* Percentages based on n = 54.

### **Strengths and Weaknesses**

Study participants also were asked about the strengths and weaknesses of their screening programs. Program consistency and inclusiveness were frequently identified as strengths. Security managers often expressed satisfaction with the fact that their background screening procedures and standards are applied consistently across all levels of the employment hierarchy.

Common weaknesses included information availability and management contravention. The limited availability of criminal history and illegal drug use information were frequently recognized problems. In addition, a number of participants said that management decisions to hire personnel despite problems identified in background checks was a programmatic weakness.

The scope of applicant screening is also often limited by time and budgetary constraints, leaving little opportunity or incentive to expand investigations should derogatory information emerge. Variable hiring demands (i.e., changing personnel requirements due to fluctuation in production) often influence the comprehensiveness and significance of employee background checks. Thus, it is sometimes necessary to conduct limited background checks in order to stay competitive in a tight labor market. For the same reason, hiring managers occasionally countermand no-hire recommendations from corporate security.

### **Discussion**

Some private sector screening practices are similar to those employed by the DoD and other government agencies. However, national security investigations typically are far more comprehensive in sources, methods, and amount of background information collected. This is especially true for Single Scope Background Investigations (SSBI) conducted for access to Top Secret and Sensitive Compartmented Information. The investigative procedures for the SSBI require field investigators to conduct face-to-face

reference interviews with employers, coworkers, neighbors, roommates, etc. When significant derogatory information is uncovered, investigators are required to expand the investigation until enough information is acquired to resolve the issues in the case.

Federal investigators have access to more information about applicants and far more latitude in the types of questions they can ask. They routinely access national databases and are afforded more cooperation from local authorities because of the Security Clearance Information Act (SCIA). Private investigators, on the other hand, are limited to public records which usually do not provide the same amount or types of information as national and local agency checks conducted for national security investigations. Public court records, for example, do not provide information concerning arrests that were not prosecuted or information about original charges in plea-bargained cases.

The private sector background checks reported in this study were generally faster and less expensive than national security investigations. However, they often are limited in a number of ways. First, private organizations check fewer information sources than does the federal government. Second, they tend to focus on identity verification and exposure of counterproductive behavior, especially patterns of criminality that could increase legal liability. Third, some corporate programs appear to lack adequate policy documentation, and investigators rarely are used to conduct face-to-face reference interviews or to develop leads. Many programs lack *formal* acceptability standards, reporting procedures, due process, and program evaluation. Conversely, with few exceptions, national security background investigations must adhere to strict guidelines for scoping and adjudication, which invariably increases time and cost.

There are some exceptional private sector programs where investigations tend to cost more, take longer to complete, and are more thorough. For example, one company that conducts relatively extensive background checks, including FBI fingerprint records, reported investigation cost and turnaround figures similar to those reported by the Office of Personnel Management (OPM) for conducting the National Agency Check and Local Agency Check with Credit Check (NACLIC). The NACLIC currently costs \$145 and takes about 40 days to complete. The turnaround time for government and private sector investigations is affected largely by the responsiveness of third-party sources whose processes are not automated.

The investigative sources and methods used by private employers generally satisfy their requirements for asset protection, safety, quality assurance, and regulatory compliance. Yet, there is noticeable variability in private sector screening practices. For example, initial reliability and trustworthiness certification is less important for some companies because of internal controls and variable hiring demands. One approach is to offset weaknesses in employee screening with physical security measures, like guards, sophisticated locks, electronic surveillance equipment, and accounting systems. Changes in production and workforce availability also impact screening programs by changing the quantity and quality of available personnel, as well as the timeframe for screening job applicants. Other companies conduct more extensive investigations, especially for senior

management and other fiduciary positions. Companies in regulated industries, for example, often manage more ambitious screening programs. For these companies, failure to properly screen employees can result in severe penalties from oversight agencies. The bottom line is "business necessity;" companies do what is necessary to protect their assets. From a hiring standpoint, that usually means checking applicants' backgrounds sufficiently enough to satisfy due diligence and reduce unnecessary turnover.

Few companies reported having established acceptability standards or formal adjudication procedures. This is in stark contrast to federal personnel security programs with well-documented acceptability standards, adjudication guidelines, and appeal processes. In the DoD, eligibility for access to classified information is determined through the application of Adjudicative Guidelines and Investigative Standards approved by the President in 1997. The Adjudicative Guidelines provide procedures for assessing loyalty, strength of character, trustworthiness, honesty, reliability, discretion, and sound judgment. The adjudication process is the careful weighing of a number of variables, known as the "whole person concept." In addition to general factors, there are 13 specific areas that address aspects of an individual's background.

Of the 22 companies interviewed for this study, only a few reported having clearly established acceptability standards. Fidelity Security Services, Inc. is an example of a private sector program in which formal suitability standards were clearly linked to data sources. The company's system has three levels of findings based on the presence or absence of derogatory information from checks of criminal, credit, education, employment, executive, military, and regulatory records. Cases without any derogatory information are coded green. Cases coded yellow have derogatory information, such as a misdemeanor conviction within the past five years disclosed by the applicant, that "may" prevent an offer or continuation of employment. Red cases contain derogatory information that "should" prevent employment, such as an unmitigated felony conviction.

This study found little evidence of private sector investigative sources or methods that would be useful to the DoD for conducting national security background investigations. The federal government by and large examines more sources and conducts more thorough investigations than does industry. The government also has more stringent due process requirements which necessitate more extensive investigative procedures. The investigative sources and methods used by private organizations are sometimes industry-specific and usually limited in scope. This relatively narrow compass results in reduced cost, but also, perhaps, decreased productivity of sources. Future research should examine whether doing less, thereby saving time and money, produces results that are adequate for national security purposes.

In addition, it may be useful to periodically evaluate private sector screening programs and data sources in order to monitor progress. Information is becoming increasingly available through automation, and disparate sources are being consolidated. Public entities (e.g., courts) as well as information services provide progressively more information over the Internet, and large background verification services continue to acquire additional information resources. Further consolidation and automation within the

information services and background verification industries may lead to more efficient collection practices for national security investigations.



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**Appendix A:**  
**Investigative Requirements for Single Scope Background Investigations**



<i>Requirement</i>	<i>Brief Description</i>
a. Security Questionnaire	Completion of SF 86 or EPSQ, including applicable releases and supporting documentation.
b. National Agency Check (NAC)	Review of FBI applicant, security, criminal investigation and law enforcement files; other records as appropriate: DCII, Military Personnel Record Center, SII (OPM), State Department, Treasury Department, INS, and CIA.
c. NAC for the Spouse or Cohabitant	Completion of a NAC, without fingerprint cards, for the spouse or cohabitant.
d. Date and Place of Birth	Corroboration of date and place of birth through a check of appropriate documentation; a check of Bureau of Vital Statistics (BVS) records when any discrepancy is found to exist.
e. Citizenship	For individuals born outside the United States, verification of U.S. citizenship directly from the appropriate registration authority; verification of U.S. citizenship or legal status of foreign-born immediate family members (spouse, cohabitant, father, mother, sons, daughters, brothers, and sisters). For individuals born in the United States, a birth certificate is the primary and preferred means of citizenship verification.
f. Education	Corroboration of most recent or most significant claimed attendance, degree, or diploma. Interviews of appropriate educational sources if education was a primary activity of the subject during the most recent three years.
g. Employment	Verification of all employment for the past seven years; personal interviews of sources (supervisors, coworkers, or both) for each employment of six months or more; corroboration through records or sources of all periods of unemployment exceeding 60 days; verification of all prior federal and military service, including type of discharge.
h. References	Four references, of whom at least two are developed; to the extent practicable, all should have social knowledge of the subject and collectively span at least the last seven years.
i. Former Spouse	An interview of any former spouse divorced within the last ten years.

<i>Requirement</i>	<i>Brief Description</i>
j. Neighborhoods	Confirmation of all residences for the last three years through appropriate interviews with neighbors and through records reviews. Interview two references in each neighborhood. Report all efforts expended when references cannot be located. If references interviewed do not cover the scope, confirm dates of residence through records such as rental, utility, tax roles, etc.
k. Financial Review	Verification of the subject's financial status, including credit bureau checks covering all locations where the subject has resided, been employed, and/or attended school for six months or more for the last seven years.
l. Local Agency Checks	A check of appropriate criminal history records covering all locations where, for the last 10 years, the subject has resided, been employed, and/or attended school for six months or more, including current residence regardless of duration.
m. Public Records	Verification of divorces, bankruptcies, and other court actions, whether civil or criminal, involving the subject.
n. Subject Interview	A subject interview, conducted by trained security, investigative, or counterintelligence personnel. During the investigation, conduct additional subject interviews as required, to collect relevant information, to resolve significant inconsistencies, or both. Sworn statements and unsworn declarations are taken whenever appropriate.
o. Polygraph	In departments or agencies with policies sanctioning the use of the polygraph for personnel security purposes, the investigation may include a polygraph examination, conducted by a qualified polygraph examiner.
p. Expansion	Expand the investigation as necessary. As appropriate, conduct interviews with anyone able to provide information or to resolve issues, including but not limited to cohabitants, relatives, psychiatrists, psychologists, other medical professionals, and law enforcement professionals.

**Appendix B:**  
**Abbreviated Participant List**

Note. This list is incomplete. Study participants were given the option of being listed by name, company, or not at all.

Aerojet-General Corporation  
P.O. Box 13222  
Sacramento, CA 95813-6000

Allied Security, Inc.  
2840 Library Road  
Pittsburgh, PA 15234

America Online, Inc.  
22000 AOL Way  
Dulles, VA 20166

Ray Shaddick  
Director, Corporate Security  
American General Corporation  
2929 Allen Parkway A35-05  
Houston, TX 77019

Ronald E. Mahaffey  
Director Corporate Security  
American International Group  
70 Pine Street  
New York, NY 10270

Donald P. Bitner  
Associate Director Corporate Security  
Amgen, Inc.  
One Amgen Center Drive  
Thousand Oaks, CA 91320

AT&T Corporation  
1200 Peachtree Street  
Atlanta, GA 30309

BellSouth Telecommunications  
675 West Peachtree Street NE  
Atlanta, GA 30375

Boise Cascade Corporation  
1111 West Jefferson Street  
Boise, ID 83728

John F. Connaughton  
Vice President, Security  
Brink's, Inc.  
One Thorndal Circle  
Darien, CT 06820-1225

Thomas E. Jacobson, CPP  
Manager, Corporate Security and Safety  
Cadence Design Systems, Inc.  
2655 Seely Avenue  
San Jose, CA 95134

CARCO Group, Inc.  
P.O. Box 1600  
Smithtown, NY 11787

T. R. Ruxlow  
Manager Corporate Security  
Caterpillar, Inc.  
100 N.E. Adams Street  
Peoria, IL 61629-2390

Conoco, Inc.  
P.O. Box 4783  
Houston, TX 77210-4783

Nigel Churton  
Managing Director  
Control Risks Group Ltd.  
83 Victoria Street  
London, SW1H OHW, UK

Dole Food Company  
5795 Lindero Canyon Road  
Westlake Village, CA 91362-4013

Duke Energy Corporation  
5400 Westheimer Court  
Houston, Texas 77056

William E. Reiter, II  
Security Manager, U.S. Region  
DuPont Corporate Security  
1007 North Market Street  
Wilmington, DE 19898

Farmers Insurance Group  
4680 Wilshire Blvd.  
Los Angeles, CA 90010

George Campbell  
Vice President Corporate Security  
Fidelity Investments  
82 Devonshire Street, G4K  
Boston, MA 02109

Florida Power & Light Company  
FPL Group  
P.O. Box 14000  
Juno Beach, FL 33408

Doris Cline  
Director, Employee & Asset Protection  
GTE Corporation  
600 Hidden Ridge  
Irving, TX 75038

ITS, Inc.  
5005 Rockside Road  
1200 Crown Center  
Independence, OH 44131

Tim Bowen  
Security Manager  
Litton PRC  
1500 PRC Drive 5W1  
McLean, VA 22102

Liz Clairborne, Inc.  
1 Clairborne Avenue  
North Bergen, NJ 07047

Lockheed Martin Tactical Aircraft  
Systems  
P.O. Box 748  
Fort Worth, TX 76116

Alvin A. Ulsh, III  
Director of Corporate Security  
Loral Space & Communications Ltd.  
3825 Fabian Way, M-S D05  
Palo Alto, CA 94303

Metropolitan Water District of Southern  
California  
2210 E. Alostia Avenue  
Glendora, CA 91740

MGM Studios, Inc.  
2500 Broadway  
Santa Monica, CA 90404

Motorola, Inc.  
3102 North 56th Street  
Phoenix, AZ 85018

Northrop Grumman Corporation  
1840 Century Park East  
Los Angeles, CA 90067-2199

Frederick G. Giles  
Vice President Information Services  
Pinkerton's, Inc.  
6100 Fairview Road, Suite 900  
Charlotte, NC 28210

PPG Industries, Inc.  
1 PPG Place  
Pittsburgh, PA 15272

Don L. Hubbard  
Director of Security  
PricewaterhouseCoopers LLP  
One Canterbury Green  
Stamford, CT 06904

Richard D. Rockwell  
President/Owner  
Professional Security Bureau Ltd.  
88 Park Avenue  
Nutley, NJ 07110

Ralston Purina Company  
Checkerboard Square-4RS  
St. Louis, MO 63164

SBC Communications, Inc.  
666 Folsom Street  
San Francisco, CA 94105

SSR Group Services Ltd.  
5 Blackhorse Lane  
London, United Kingdom E17 6Dn

Kevin J. Lampeter  
Vice President/Director of Security  
State Street Corporation  
P.O. Box 351  
Boston, MA 02101-0351

The Boeing Company  
P.O. Box 3707  
Seattle, WA 98124-2207

Richard E. Lew  
Director, Security & Risk Management  
The Dial Corporation  
15101 North Scottsdale Road  
Scottsdale, AZ 85254

TRW, Inc.  
12900 Federal Systems Park Drive  
Fairfax, VA 22033

Wells Fargo Bank  
420 Montgomery Street  
San Francisco, CA 94163-1100

**Appendix C:**  
**Modified Screening Questionnaire**





# Private Sector Screening Practices

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If you intend to complete this form and return it as an e-mail attachment, the following steps may be necessary to ensure that your responses are received by PERSEREC.

1. Save this form to your hard drive.
2. Complete the form.
3. Save the form and exit.
4. Attach the form to an e-mail message and send to youpadg@osd.pentagon.mil.

Note. Please use tab key or mouse pointer to move between response options. Also, avoid using the enter key. Text will wrap automatically.

Today's Date (mm/dd/yyyy): \_\_\_\_\_

## Section 1

**1.1 Does your company screen job applicants (e.g., reference checks, credit checks, integrity tests, etc.) to determine if they are trustworthy and reliable?**

Yes

No

**1.2 Do you have a security/investigation/human resources department that is responsible for applicant screening, or do you contract for external security and investigative services?**

Internal security/investigation/human resources department

External security and investigative services

Both internal and external operations

Neither

**1.3 Does your company monitor current employees (e.g., credit checks, performance reviews, drug tests, etc.) to determine if they are trustworthy and reliable?**

Yes

No

**1.4 Do you have a security/investigation/human resources department that is responsible for employee monitoring, or do you contract for external security and investigative services?**

Internal security/investigation/human resources department

External security and investigative services

Both internal and external operations

Neither

## Section 2

**2.1 Does your company work under contract with the United States government?**

Yes

No

**2.2 Does your company do national security or defense-related work for the United States government?**

Yes

No

## Section 3

**3.1 If your company utilizes background information to screen or monitor personnel for reliability, what information sources do you use? (Please check all that apply).**

Interviews

Financial/Credit Records

Questionnaires

Education Records

Honesty/Integrity Tests

Medical Records

Drug Screens

Worker's Compensation Records

References

Driving Records

Criminal Records

SSN Verification

Other:

**3.2 What personnel security issues are of interest to your company?**

- |   |   |
|---|---|
| <input type="checkbox"/> Drug/Alcohol Abuse   | <input type="checkbox"/> Foreign Connections  |
| <input type="checkbox"/> Company Loyalty      | <input type="checkbox"/> Industrial Espionage |
| <input type="checkbox"/> Violence             |   |
| <input type="checkbox"/> Theft                |   |
| <input type="checkbox"/> Fraud                |   |
| <input type="checkbox"/> Information Security |   |
| <input type="checkbox"/> Other:               |   |

**3.3 How long does it usually take to screen a job applicant (i.e., conduct a background check)?**

- Less than two days
- 2-3 days
- 4-7 days
- 8-14 days
- Over 14 days

**3.4 What is the average cost per investigation?**

- Less than \$30
- \$30-\$50
- \$51-\$100
- \$101-\$200
- Over \$200

**3.5 Approximately how many pre-employment background checks do you conduct each month in the United States?**

- None
- Less than 100
- 100-300
- 301-600
- 601-1000
- Over 1000

**3.6 Approximately how many pre-employment background checks do you conduct each month in countries other than the United States?**

- None
- Less than 100
- 100-300
- 301-600
- 601-1000
- Over 1000

**3.7 What percentage of applicants are screened out as a result of background checks?**

- Less than 2%
- 2-3%
- 4-10%
- 11-25%
- Over 25%

**3.8 How would you rate the effectiveness of your employee screening and monitoring systems in general?**

- |                          |                          |                          |                          |
|--------------------------|--------------------------|--------------------------|--------------------------|
| Very Effective           | Somewhat Effective       | Somewhat Ineffective     | Very Ineffective         |
| <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

#### Section 4

**4.1 Have you ever formally evaluated your system?**

- Yes
- No

**4.2 Have you conducted a cost analysis of the system?**

- Yes
- No

**4.3 Do you have policy documents related to applicant screening and/or employee monitoring?**

- Yes
- No

**4.4 Have you had reports prepared about security issues at your company?**

Yes

No

**4.5 Can you tell us about other companies with exceptional personnel security programs?**

Yes

No

Comments:

## Section 5

**5.1 In which types of business does your company engage? (Please check all that apply).**

- |   |   |
|---|---|
| <input type="checkbox"/> Agriculture, Forestry, Fishing and Hunting       | <input type="checkbox"/> Management of Companies and Enterprises                                  |
| <input type="checkbox"/> Mining   | <input type="checkbox"/> Administrative and Support and Waste Management and Remediation Services |
| <input type="checkbox"/> Utilities  | <input type="checkbox"/> Educational Services   |
| <input type="checkbox"/> Construction                                     | <input type="checkbox"/> Health Care and Social Assistance  |
| <input type="checkbox"/> Manufacturing                                    | <input type="checkbox"/> Arts, Entertainment, and Recreation                                      |
| <input type="checkbox"/> Wholesale Trade                                  | <input type="checkbox"/> Accommodation and Food Services  |
| <input type="checkbox"/> Retail Trade                                     | <input type="checkbox"/> Other Services (except Public Administration)                            |
| <input type="checkbox"/> Transportation and Warehousing                   | <input type="checkbox"/> Public Administration  |
| <input type="checkbox"/> Information                                      |   |
| <input type="checkbox"/> Finance and Insurance                            |   |
| <input type="checkbox"/> Real Estate and Rental and Leasing               |   |
| <input type="checkbox"/> Professional, Scientific, and Technical Services |   |

**5.2 Please check all that apply.**

- I would like to be listed as a study participant.
- List my company as a study participant.
- I would prefer to keep my participation confidential.

**5.3 Please fill out the following information unless you wish to remain anonymous.  
(Note. In order to maintain anonymity, you must print and mail this form to  
PERSEREC).**

Company Name:

Your Name:

Your Title:

Telephone: (\_\_\_\_)

FAX: (\_\_\_\_)

E-Mail:

Address:

Preferred Means of Contact:  Telephone  Email  FAX  Mail

**5.4 If you have any additional comments about your responses to the questions  
above or about the survey, in general, please type them below.**

**If you have any questions, or if you would prefer to print and FAX/mail this form,  
please contact Dr. Daniel Youpa.**

**(831) 657-3019 Telephone**

**(831) 657-0153 FAX**

**[youpadg@osd.pentagon.mil](mailto:youpadg@osd.pentagon.mil)**

**Defense Personnel Security Research Center**

**ATTN: Dr. Daniel Youpa**

**99 Pacific Street, Suite 455E**

**Monterey, CA 93940**

**Thank you for your assistance.**

**Appendix D:**  
**Alphabetical List of Common Information Sources and Brief**  
**Descriptions**



<i>Information Source</i>	<i>Description</i>
Address Verification	Verification of current and previous residences. Address information is contained in a variety of sources. Credit reports are often used for this purpose.
Applicant Interviews	Employment interview usually conducted by human resources or hiring manager.
Bankruptcy Records	Search of federal bankruptcy records and filings.
Birth/Vital Statistics	Search of county recorder records, including births, deaths, and marriages.
Civil Court Records	Search of federal, state, and local civil proceedings and filings.
Credential Verification	Verification of professional licenses and credentials through both public and private organizations.
Credit Reports	Credit history from one of the three national credit bureaus. Credit header information is often used for identity and address verification. Financial information sometimes used to assess fiscal responsibility for fiduciary positions.
Criminal Conviction Records	Search of federal, state, and/or local criminal conviction records, typically at the county level.
Drug Screens	Pre-employment and/or random drug testing.
Education Verification	Verification of degrees by contacting academic institutions.
Gun Ownership Records	Search of gun ownership records.
Honesty/Integrity Tests	Psychological tests designed to predict counterproductive behavior and job performance.
Media Inquiries	Searches of major media sources for information about applicants or employees. Usually done for executives only.
Medical Records	Records obtained from medical professionals.
Military Records	Records of military service.
Motor Vehicle Reports	Driving and vehicle registration records from state motor vehicle departments.
NASD Central Registration Depository	Employment-related information for employees and securities dealers with participating institutions.
Psychological Tests	Other psychological tests, including achievement and aptitude tests.
Questionnaires	Forms used to obtain biographical and security-related information.

<i>Information Source</i>	<i>Description</i>
Reference Checks	Interviews of character and/or employment references to determine applicant suitability, typically conducted by telephone.
Regulatory Agency Records	Search of regulatory agency records to identify complaints and other derogatory information.
Retail Theft Database	A collection of member-contributed internal theft incidents within the retail industry.
SSN Verification	Social Security Number verification usually by comparison with credit header information.
Tax Records	Examination of tax records for financial responsibility.
UK National Insurance	Records of national employee insurance program in the United Kingdom.
Utility Records	Gas, electric, and water utility records for address verification and financial responsibility.
Voter Registration Records	Search of voter registration records for address verification.
Worker's Compensation History	Post-employment offer search of worker's compensation cases to identify possible fraudulent claims.