

Employers can be held liable for workers who commit crimes while on the job, especially if they have a previous criminal record that the employer never bothered to investigate. Employers are also liable for employees driving on company business whether they are driving a personal or company vehicle. In fact, employers can be held liable for a lot of reasons. You need to protect your business by knowing as much about who you are hiring as possible.

For every dollar an employer invests in personnel screening, the SAVINGS range from five to sixteen dollars in reduced absenteeism, improved productivity, lower turnover, safer working environments, reduced insurance premiums and decreased employer liability."

-- Small Business Administration

According to surveys of Human Resource Executives, more than half the resumes they receive contain exaggerated or fraudulent information and/or significant omissions

From an article written by for Office.com:

What You Don't Know Can Hurt You

Technology eases the task of pre-employment background screening, a powerful hiring tool.

***By Barbara Marquand
for Office.com***

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When the owners of a San Jose, Calif., appliance and furniture company discovered that a number of their expensive built-in refrigerator units were missing a few months ago, they called in local private investigator Kent Cossey. After checking, Cossey found that five of the company's warehouse and delivery employees had been stealing goods; further investigation showed that all had prior theft or drug convictions. Had the business managers ordered pre-employment background checks, they probably would not have hired the people - and they would avoided the losses and headaches.

Small businesses that skimp on careful hiring practices will pay for it later. Fortunately, pre-employment background checks, a critical tool for preventing fraud and eventual legal hassles, are easier and more affordable than ever before.

Background screening goes beyond traditional reference checks and looks at such things as criminal and driving records, credit reports and whether applicants actually have the work and education experience they claim.

Who Do You Trust?

A variety of background screening outfits have begun offering their services online, and some are completely Web-based, so that background checks can be done at any time and results are just keystrokes away. Pricing, meanwhile, has grown more competitive, so the most basic background checks can be had for under \$25.

Yet most small businesses continue to neglect this important step in the hiring process, according to Joseph Wells, chairman of the Austin, Texas-based Association of Certified Fraud Examiners.

"Every fraud involves an element of trust," he says. "In small businesses where you know people face-to-face you're most likely to trust people than in big businesses. Our defenses are down."

However, trusting everybody without taking precautions is a recipe for disaster. Small businesses are 100 times more vulnerable to workplace fraud than large companies, according to the

association's 1996-1997 Report to the Nation on Occupational Fraud and Abuse. Also, the losses small businesses suffer from workplace fraud are proportionately greater than those suffered by big businesses.

One factor that puts small businesses at greater risk is that small companies have fewer divisions of responsibility than large outfits. One person may be in charge of an entire bookkeeping department, for instance. "It takes more people to pull off a fraud in large businesses," Wells says.

But it's not just the lone bookkeeper with sticky fingers who poses a threat. Technology has created new risks as more and more sensitive company and financial information is stored on computer systems, Cossey says.

Neglecting background checks also can lead to dire legal consequences. Companies can be held liable for the willful misconduct of their employees, if the courts determine they were negligent in their hiring and retention. Suppose a company hires somebody without doing a background check, and the employee later assaults a customer. The customer then sues the company, showing that the employee had a string of assault convictions when he was hired.