

Verifications Best Practices:

**What Clients Need to Know for
Successful Outsourced Verifications**

Verifications Best Practices:

Verification of applicant-provided information is a recommended part of the hiring process. Verifications may be undertaken by the employer or may be outsourced to a background screening company.

Services most often grouped within the “Verifications” family include the following.

- Verification of Employment History
- Education History Verification
- References
- Verification of Earned Credentials/Licenses
- Verification of Military Service

Verifications are more labor intensive than other types of background checks, and require employer participation in order to be completed successfully and in a timely fashion.

This document has been created for employers who wish to outsource the verification process to Consumer Reporting Agencies (CRA) firms, also known as background screening companies. The CRA may not be successful in performing verifications without the assistance and cooperation of the employer. This document discusses some of the actions you, as an employer, can take in order to improve the probability of successful outsourced verifications.

What Clients Need to Know for Successful Outsourced Verifications

Terminology

The following are common terms you should know when discussing verifications.

Consumer Reporting Agency – This is also known as a CRA. Background screening companies are Consumer Reporting Agencies (CRA), as defined by the Fair Credit Reporting Act (FCRA).

Electronic Signature – This is a signature that is completed electronically, rather than signing a name with a pen or pencil. Special requirements must be met for an electronic signature to be valid in a court of law.

Fair Credit Reporting Act – This is the set of federal regulations administered by the Federal Trade Commission (FTC) that governs CRAs. See www.ftc.gov for more information on the FCRA. States may also have laws, typically more restrictive, that complement the FCRA.

Third-Party Source – These are organizations, generally established on a for-profit basis, that are contracted by institutions and/or employers to handle verifications. These third parties gather and maintain information from the institutions and employers they represent, and charge a fee to access their information. Typically, institutions and employers who contract with third-party sources to provide verifications will not provide this information themselves, but will refer all requests for verifications to the third-party source.

Wet Signature – A wet signature is completed by the subject by signing the name in pen or pencil.

General Guidelines for Successful Verifications

- **Provide as much information as possible with your search request.** The full employer or school name, city and state information, name used at the institution, and full contact information for a reference are critical. Time spent by the CRA researching phone numbers and contact information will delay your results. Further, remember to include other names used by the applicant, especially in the case of additional or different names. An individual's last name may change because of marriage or divorce. However, also remember that some individuals may have used a different first name, perhaps when younger. The professional now known as Robert J. Jones may have been known as "Jimmy" Jones in school. The CRA must have the name the individual used during the time frame being verified in order to successfully complete the verification.
- **Have a signed consent form from the applicant.** Unlike many other types of background searches, verifications may require that you provide a copy of the applicant's consent to the CRA in order for them to complete the verification. Some sources, especially educational institutions, may have a policy in place that requires a copy of a "wet" signature (as opposed to an electronic signature) consent prior to releasing information.
- **Request the level of verification that best fits your needs.** If you are requesting a verification for the purpose of verifying information on an application, have the CRA conduct a simple or standard verification. If a subject's previous salary or GPA is not important in the hiring process, don't ask the CRA to obtain it. Acquiring sensitive information, such as salary or GPA, and asking custom questions has a likelihood of increasing your costs and delaying the reporting of results.
- **Be patient.** In some cases, the source of the information to be verified does not view a timely response to be a priority. Past employers, schools and references are often busy with their primary duties. Providing timely and/or lengthy verifications can take up valuable time from these sources, particularly if the information is old or archived. Some sources may be unwilling to respond under any circumstances. They may not return phone calls or provide any information to the verifier. Similarly, the source may not recognize the name of the CRA and choose not to respond, whereas the source may be readily familiar with the name of the potential employer and return the call as a professional courtesy.

Verification of Employment History

Description – A verification of employment history typically provides a confirmation from the employer of dates of employment and position held, as well as the name and position of the verifier. The information that is verified is typically provided by the applicant on an application form or resume. Expanded options may include manager, supervisor or peer interviews to obtain information as to the individual's relevant skills, time management, disciplinary actions, character, work habits, and personal characteristics. Customized questions based on the industry may be available. Sources of information may have a policy that prevents the release of some information, such as salary or eligibility for rehire, or may have policies that only allow confirmation of information provided by the CRA (i.e., they cannot correct any erroneous information provided by the applicant, but can say if it agrees with their information or not).

Helpful Hint: Find out the standard questions offered by your CRA. If you are interested in more in-depth questions, contact your CRA to learn what options are offered. If the sources are willing to answer additional questions, an employer can gain very valuable insight as to whether or not the applicant is a viable candidate.

Be aware that asking questions beyond factual items (dates, position, salary, etc.) means the background report received by the employer will be considered an Investigative Consumer Report, governed by FCRA § 606. The employer has additional responsibilities when Investigative Consumer Reports are ordered. Some states also have special Investigative Consumer Report requirements.

Helpful Hint: Keep your verification to factual questions, if you only require a simple verification. Asking custom questions may result in an additional burden on you, the employer, which you take on unnecessarily.

Means of Verification – Employment verifications are primarily conducted via telephone. Some employers require, or will allow, items requiring verification to be submitted by facsimile, email, or U.S. postal mail.

A growing number of employers have outsourced their employee/payroll files to third-party organizations that provide the verifications. In these cases, the employer will not accept any requests for verifications and will refer all verification requests to the third-party source. The third-party source charges the requestor a fee to obtain the information. The fees typically range from \$10 - \$20. Most CRAs pass these fees on to customers as a separate charge item. Some CRAs may incorporate these fees into the price of their verification products. Salary information from third-party sources may only be available with a PIN number that must be obtained in advance from the applicant. Under these circumstances, if you require the CRA to retrieve this information, the applicant must be involved and a delay is likely.

Helpful Hint: Find out the separate fees your CRA charges for verifications from third-party sources so that you can budget appropriately. Understand that the CRA has little choice in using these third-party providers and a fee is always involved

Delays, Exceptions & Search Complications – CRAs are subject to the discretion and willingness of human resource departments, human resource professionals and employers to return requested information in a timely manner. Most CRAs will place several calls to an employer in order to obtain the verification. But the number of calls placed will rarely be unending, since there is a diminishing rate of success with each additional call. Some CRAs may have a policy of a standard maximum number of calls placed. Beyond that, the verification request is typically closed, and the employer is charged for the service. The CRA may or may not re-open the verification should the previous employer call back after the search has been closed. Also, there may be a fee imposed to re-open a search if additional information is provided.

Helpful Hint: Find out what your CRA's standard number of calls is before they close the search. Also, learn how they handle information returned from the source after the search has been closed.

On occasion, an employer may require the CRA to communicate via U.S. Postal Mail or with a facsimile request providing the verification questions. This may cause delays that cannot be controlled by the CRA, especially if mail must be used to complete the verification.

Some employers require a copy of a signed consent or release before providing any verification information to the CRA (or directly to you). Other employers may provide a limited verification without a copy of a signed consent, but for certain questions (e.g., salary or subjective questions) will require a signed consent prior to releasing that information. This is an example of the benefit of selecting the type of verification that best suits your company's needs. If salary or performance information is not needed for the hiring decision, don't request it from the CRA. This will reduce the burden of providing copies of signed consents and will help get results back to you more quickly.

Helpful Hint: Some CRAs encourage clients to mail or fax in a copy of the subject's signed consent with every employment verification requested. This will allow the CRA to complete the search more quickly, since they will not need to contact you for copies of signed releases when they are required. Find out if your CRA encourages this practice and how they would like these consents sent to them.

Some employers have policies that will not allow supervisors to give references or permit the release of information other than dates of employment and position. It is rare that a CRA is able to circumvent these employer policies.

Some employers will not accept a consent that is signed with an electronic signature, requiring the verifier to obtain a physical "wet" signature either through the employer or directly from the applicant.

Minimum Employment Verification Request Information Required –

The following information is the minimum that must be provided to the CRA for a successful verification.:

- Name when employed
- Dates of employment
- Job title
- Name of company
- Name of supervisor

Helpful Hint: It may be tempting to provide the CRA with only the employer name, since it's the easiest piece of information to obtain from the subject. Some companies will only confirm or deny data provided to them and nothing else. This is why providing as much information as possible is recommended, since the CRA can then complete the verification with all information at hand. Also, the name, or part of a name alone may not be enough for the CRA to find the source, especially with respect to small employers, employers with common names or franchises.

Helpful Hint: The name of the company is obviously important and if it is a division within a company it is most helpful to know that, as records may be stored in separate locations. Similarly, the subject should be told clearly that if they worked as a temporary worker, the name of the employer should be that of the temporary agency and not of the employer where the subject was assigned.

Providing a valid employer phone number and address, (or city and state at a minimum), may reduce verification turn-around time since the CRA will not expend valuable time researching employer contact information.

If a manager, supervisor or peer interview is required, it is crucial to have the name of that individual. If such an interview is not required, it is still often helpful to have the name of a manager or supervisor in case the past employer is having a hard time finding the applicant's file. It may alert the past employer contact to locate the file in an alternate location.

Finally, consider how your own company responds to employment verification requests from CRAs and other employers. Encourage your Human Resources staff to respond to requests in a timely manor in order to provide the same courtesy to other employers that your company requests from them.

Educational History Verification

Search Description – Provides confirmation of completion of high school, GED and/or degree, along with the institution name, location, date received or dates of enrollment and a description of a degree received (i.e. diploma, GED or degree).

Means of Verification – Telephone, facsimile and email communication are common forms of communication to obtain confirmation of completion and fulfillment of institution requirements.

A growing number of institutions have outsourced their enrollment and graduation information to third-party organizations. In these cases, the institution will not accept any requests for verifications and will refer all such requests to the third-party source. The third-party source charges the CRA a fee to obtain the information. The fees typically range from \$5 - \$20. CRAs may pass these fees on to customers as separate fees. Some CRAs may incorporate these fees into the price of their verifications.

Helpful Hint: Find out the standard fees your CRA charges so that you can budget appropriately. Understand that the CRA has little or no choice in using these third- party providers and a fee is always involved.

Delays, Exceptions & Search Complications – The following items may result in delays, exceptions and complications:

- Institutions, especially high schools, rarely file student history by Social Security Number (SSN). The information is filed by the name the subject used while attending and the graduation or attendance dates. Colleges and universities typically file records under SSN, but depending on the age of the record, some may file information by attend name and dates, or according to the specific college, school or department attended or major declared. Also, as data breaches become more common in schools, fewer colleges and universities will allow records to be obtained via an SSN, or may use a truncated or abbreviated SSN.
- Most GED verifications must be completed by mail, which extends turn-around times. State offices often charge a small administrative fee to obtain information. Some GED turn-around times may be weeks. The CRA is unable to obtain the verification any quicker than the individual GED system will allow.
- The administrative offices of many institutions, especially high schools, may be short-staffed or closed for portions of the summer months, national holidays, and breaks. Turn-around times can be extended under these circumstances, particularly if the CRA must wait until the academic season or session resumes for the completion of the verification.
- There may be delays in turn-around times during registration or admissions periods. Some institutions close their verifications support services entirely during admissions or registration times.

- Many institutions require a copy of a signed consent or release before providing the verification information to the CRA (or directly to you). A significant number of institutions will not accept an electronic consent and will require a copy of a “wet” signature

Helpful Hint: Some CRAs encourage clients to mail or fax in a copy of the subject’s signed release with every education verification requested. This will allow the CRA to complete the search more quickly, since they will not need to contact you for copies of signed consents when they are required. Find out if your CRA encourages this practice and how they would like these consents sent to them.

Helpful Hint: If your company uses electronic applications, you will still need to obtain a traditional signed consent from the subject in order to fulfill the requirement for “wet” signatures, when required.

Minimum Education Verification Request Information Required –

The following information is the minimum that must be provided to the CRA for a successful verification.:

- Name used when attending
- Dates attended or graduation date
- Clear indication of whether a GED, diploma or degree was earned, and what type. If GED, where was it obtained? (Some states require the name of the testing center in order to verify the GED.)
- Name of institution, including city, state and campus

It is very common that a maiden or the name the applicant used when attending the institution is required in verifying education attendance and/or graduation. This is especially true of high schools that do not file records by Social Security number.

Dates of attendance or graduation dates are very important to provide to the CRA because the institution contacted may not file information under SSN.

The dates of attendance and/or graduation will assist in determining the location of the records which may be archived, particularly if they are older. Also, remind candidates who have earned a General Education Degree (GED) rather than a diploma that they should clearly state this fact so the verification can be requested from the correct source and be completed more quickly. If a GED was obtained versus a diploma, it is usually necessary to know the institution the person attended to obtain the GED since high schools rarely have GED information available.

If a degree was obtained, it is helpful to know what type of degree.

The name of the institution is very important, but some institutions may have multiple campuses, even in the same city, and records are not always consolidated. The more specific the information provided up front, the easier it is for your CRA to verify the information provided in a timely manner and with limited follow up to you, the prospective employer.

References

Search Description – Provides personal or professional reviews or ratings of individuals. Includes professional, personal and trade references. Some CRAs may have standard questions used for reference purposes or for references for particular industries.

Means of Verification – The CRA contacts the reference, typically by telephone. Questions can also be submitted via email or fax. Customized questions may be available from your CRA.

Delays, Exceptions & Search Complications – The CRA is subject to the discretion and willingness of the reference to return communication and to go on record with opinions about another. Again, some employers will not allow employees to give personal or professional references about current or past employees. Further, some individuals will simply not return phone calls.

Helpful Hint: Provide a daytime phone number for the reference if possible. This will increase the success rate of your reference checks by enabling the CRA to go right to the source during normal business hours.

Verification of Earned Credentials/Licenses

Search Description – Provides verification of a license, certification and/or designation.

Means of Verification – The means of obtaining information varies greatly based on the issuing agency. Many state licenses are available electronically and provide date of issuance, license status (current, suspended, etc.), and expiration date (if applicable). They may also include any disciplinary actions and complaints lodged against the licensee.

Delays, Exceptions & Search Complications – Certifying agencies vary greatly by state and industry and their requirements for verifying a certification can also vary widely. These may include electronic access, telephone, email and U.S. Postal Mail.

Military Verifications

Search Description – Provides verification of military service as well as discharge status.

Means of Verification – Typically, employers will request a copy of the applicant's DD-214 form showing documentation from the military as to nature of discharge, service record, training, etc. Employers should be precise in asking for copies one and four to make sure they are receiving pertinent information. CRAs can assist if the applicant does not have a DD-214 by having the applicant fill out a Form 180 and submitting it to the National Personnel Records Center for processing. If the applicant has not been out of service very long, a reference may sometimes be obtained from the most recent commanding officer.

Delays, Exceptions & Search Complications – Submission to the National Personnel Records Center can take up to six months for a response.

**What Clients Need to Know for
Successful Outsourced Verifications**

