

Pre-Employment Screening Fact Sheet

- According to the Society of Human Resource Management (SHRM) 2004 survey, 61% of companies found inconsistencies in a candidate's background during pre-employment screening.
- Depending upon the complexity, a background check usually costs between \$25 and \$300.
- The Federal Credit Reporting Act (FCRA) is the federal law that deals with background checks. In addition, each state can pass its own laws that cover pre-employment screening.
- According to the Society of Human Resource Management (SHRM) 2004 survey, 86% of businesses said that inaccuracies on a job application could take an applicant out of consideration.
- Good hiring decisions can save a company a lot of money. It costs about \$7,000 to replace a salaried employee and approximately \$40,000 to recruit and hire an executive.
- When SHRM surveyed their member companies in 2004, they found that 96% of them conducted background checks on applicants.
- Half of all job applications contain discrepancies.
- Well-known people who were caught lying on their resumes and job applications:
 - Dave Edmondson – Chief executive of Radio Shack
 - George Deutsch – Bush appointee at NASA
 - Alan Seman – Mayor of Rancho Mirage
 - George O'Leary – Notre Dame Football Coach
 - Kenneth Lonchar – CFO at Veritas Software
- ADP found that 4,861,435 background checks were done on applicants in 2005, a 12% increase over the previous year.
- According to the US Dept of Commerce, 30% of business failures are due to poor hiring practices.
- A 2005 CIO Research Report shows that only 30% of Chief Security Officers hold a job open to give an applicant a chance to correct negative information that is on a background report.

- According to pre-employment screening company, Inquest, businesses in the United States report losses of \$36 billion a year due to workplace violence.
- Many states have passed laws that allow a former employer to speak candidly about previous employees.
- Companies generally don't tell applicants what types of information they are checking.
- A recent study showed that over 40% of previous employers revealed more than what was required by law.
- Although many hiring companies do call references, they don't always call the ones supplied by the applicant.
- There is no such thing as a national criminal database. There are databases that contain partial information, but there is no database that contains information on every crime committed in the U.S.