eVERIFILE™

Be Certain.

Contractor, Supplier
& Vendor Screening

White Paper / Buyers Guide

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Why This Matters to Your Organization

Whether your company utilizes contractors, suppliers or vendors, ensuring you have a comprehensive screening program in place is essential for your business. For the purposes of this white paper we will refer to your company's contractors, suppliers and vendors as contractors, when describing the screening program. Contactor Screening is an important security element for any business. Your contractors have similar levels of access to various locations and intellectual resources as do your full time employees. It's important to safeguard your business from the potential threat of unscreened contractors.

It Matters Because it Helps Protect Your Company's Assets and Brand

Every day 10.3 million independent contractors go to work in the United States[1]. The level of oversight necessary to ensure millions of contractors are qualified is vast. The first step towards ensuring a more secure workplace is implementing a contractor screening program.

If sourcing of these contractors is not comprehensive, a company can ultimately be faced with severe consequences. Negligent hiring is a claim made by an injured party against an employer stating that the employer should have known elements of an employee's background, which could have indicated deceitful or unreliable behavior. Pre-employment background checks and screenings are some examples of the way negligence hiring claims can be prevented.

It Matters Because it Reduces Risk

A potential consequence of negligent hiring is a lawsuit. These can result in surmountable financial consequences, as well as damage to a company's business integrity.

It's important to take the necessary steps to not only avoid bad contractors, but negligent hires as well. On average, a negligent hiring lawsuit can cost a company nearly $1 million. However, negligent hiring cases have had verdicts costing up to $40 million. Unfortunately, employers have lost more than 79% of negligent hiring cases[2.]

Today, on average 11% of background

checks run on individuals come back with some sort of criminal records (i.e. misdemeanor or felony)[3]. This means at least one in ten of your contractors likely has some criminal offense on his or her record you are not privy to. This could be a minor or significant offense. Either way, it increases risk to your organization.

90% of American companies neglect to run contractor screening and criminal checks on contractors.

Security in Action

Contractor Background Check Procedure

For all contractor candidates, your company should require:

• Criminal Background Check
• Certificate & License Check
• Employment Verification
• Education Verification
• Reference Verification
• Drug Test

[1] http://www.census.gov/compendia/statab/
[2] http://info.profilesinternational.com/profiles-employee-assessment-blog/bid/103250/Who-Are-You-Really-Hiring-10-Shocking-HR-Statistics
[3] Careerbuilder.com

" **As a business owner, my employees and my contractors are the individuals who keep the company going. They're the ones I owe many thanks to. I also owe to them a safe and secure workforce.**

- Mark Wilson, CEO eVerifile "

Components of a Comprehensive Contractor Screening Program

As security in the workplace grows in importance for companies of all sizes, more emphasis is given to the actual components of the contractor screening program. By instituting a contractor screening program, you not only protect your workplace, but you also reduce potential litigation risk, mitigate product and data theft risk, and protect your brand image.

Primary Components of a Contractor Screening Program

Background Checks

As the foundation of a contractor screening program, background checks are used for assessing a contractor's background. This is the security component of the contractor screening program. Usually multi-county checks are run for the past seven or ten years of residence history on a contractor. Criminal background screening solutions give you the information and peace of mind to protect your organization from financial and security risks associated with an unsafe working environment. Through criminal record sources, we are able to locate County, State, and Federal criminal records.

When a record is located, eVerifile provides you detailed information including level of the record, how the record was verified (name, DOB, SSN), case number, offense, disposition, and disposition date (where applicable).

Training

This is the safety component of a comprehensive contractor screening program. Training material is typically provided by the client for its contractors to view and consists of safety awareness training, contractor orientation, and overview of job assignment and client requirements when onsite.

HR orientations and corporate and compliance presentations are key to maintaining a well-trained contractor base. Content can include: safety awareness, new contractor orientation, client and job overview, and compliance requirements.

Badging

This is the access component of contractor screening. A comprehensive contractor screening program will then provide credentialed badges to contractors who pass a background check and successfully complete the required training. The badge indicates

that the client has approved the contractor to work on their site. Badges should typically be set to expire every 2-3 years and then a recertification should be required to renew the badge. The badge should have a clear picture of the contractor and also reflect the authorized access they have when working at your company location.

Ongoing Monitoring

Ongoing monitoring is a security feature that checks a national criminal database every month to check existing employees or contractors to see if there is a possible hit that has occurred since pre-hire screening was performed. The ongoing monitoring allows companies to continuously screen existing contractors.

The process for ongoing monitoring is simple:
Companies will submit a monthly payroll file and the contractor screening company will run the list against the National Criminal Database.

If there is a possible hit, the contractor screening company will validate the hit at the source to ensure it is the correct person. Then the company is informed and they can decide next steps per their internal HR policies. Ongoing criminal monitoring is done post-hire after the initial full background check is completed.

Security in Action

eVerifile standard background screening turnaround time ranges from instant checks to 24-72 hours. We have customized programs based on experience with large companies and government contracts. We configure and tailor packages and services to your industry's contractor needs.

Finding a Holistic Solution

As a final note, a comprehensive contractor screening program should have all applicable parts provided by the same provider. This will centralize the screening process with one preferred partner. This provider acts as a single clearinghouse for processing all background checks for your vendor personnel. This provider should offer universal contractor employee standards and online audit tools. Ultimately, selecting a comprehensive contractor screening company will mitigate liability resulting from potential negligent hiring contractor relationships, and maintain the integrity of your workforce.

Best Practices in Government Regulated Industries

It is essential to conduct proper screening of your contractors. Knowing who you're contracting with is key.

An unscreened contractor can amount to a number of risks, including workplace violence, theft, fraud and drug abuse. Safety and Security executives should not take a hands-off approach for managing their contractors. Use best practices to thwart workplace criminal activity.

Start with the Basics

A core solution in most background checks is the criminal record search. This search is important to assure due diligence in efforts related to negligent hiring litigation and workplace safety. This search and the actionable data associated with the search, if any, must comply with any applicable local, state, federal and international laws.

A thorough contractor background screening should include an extended nationwide multi-county background check using 7- year address history, as well a NCDC (The National Criminal Database Check) background check.

It's important to be aware of Equal Employment Opportunity Commission (EEOC) and Fair Credit Reporting Act (FCRA) policies and guidelines during any screening process. The employment screening process involves a consumer report and is therefore required to comply with the FCRA. Furthermore, the EEOC has strict guidelines relating to disqualifying candidates solely on a criminal charge.

Add on Advanced Searches

It's important to get the information you need on candidates to make informed hiring decisions. Supplementary searches can be of the utmost importance for various jobs and industries.

Certificate and License Verification: Confirm your contractor has the necessary certification.

SSN Verifications: Detect the fraudulent use of social security numbers.

Motor Vehicle Reports: Assesses the candidate's driving record.

Employment and Reference Verification: Checks previous employers' records and conducts interviews with past supervisors or human resource personnel.

U.S Government Watch Searches: Include information about individuals linked to terrorism or terrorist activity.

Drug Testing: Can be conducted both pre-employment and during random testing cycles.

Sex Offender Verification: Checks national records, as well as specific states' live repositories based on the candidate's history.

Worker's Compensation Reports: May determine whether an employee has abused worker's compensation in the past.

Make it Consistent

Having security processes in place to screen employees and contractors is key to a comprehensive hiring program. Screening contractors pre-hire ensures you are hiring a qualified candidate. But what happens after they're hired? How will you know if they've developed a criminal record since being employed? An effective program will screen contractors during their contract assignment. Ongoing contractor screening confirms your candidates are continuously monitored under your criminal background policy throughout the course of their employment.

Have an Appeals Process

When it comes to criminal background screening, certain information will be flagged. This information may or may not be relevant to your contractor's hire. For example, a traffic violation arrest may not be relevant if your contractor is not required to drive for the job. Due to such circumstances, it is important to have an appeals process in place to provide individuals the right to dispute the accuracy or completeness of the background check.

A few key items to remember:
Don't deny a contractor based on an job offer. An arrest record does not prove criminal conduct.
Don't automatically discount anyone who has a conviction. You should consider the offense in relation to the job being offered as well as the length of time since the crime was committed.

Make it Integrated

Contractor screening is more than just approving a qualified candidate. A best practice in contractor screening is to implement an integrated program. Testing and assessments, as well as badging are essential to a secure workforce.

A safety training program can convert your training videos and printed materials into your own online library with testing capabilities. This will ensure that your business is in compliance and your contractors are well informed.

Contractors, like employees, will have access to sensitive areas or information.

Once a contractor has met predetermined requirements (for example, passing a safety or compliance assessment), he or she will be issued an ID badge.

When your business integrity is on the line, a comprehensive approach to contractor screening can safeguard your workforce and workplace.

Security in Action

eVerifile's eRailSafe program is the government standard for contractor screening in the railroad industry. We work with railroads to ensure they are compliant, and reducing risk. eRailSafe is the premier workforce safety and security management program for Class 1 Railroads and the businesses that serve them.

Technology Considerations

When selecting a contractor screening program, it's important to understand the implications of choosing the right technology solution.

State of the Art

Outdated technology can place a huge administration strain on your business. Look for a company whose contractor screening process includes advanced technological solutions, such as technology that is regularly updated. Outdated technology simply doesn't run as efficient, and could end up costing you more time in the process.

Automation

A contractor screening technology source should work directly with the applicant to collect and process their information. Not only does this streamline processes, it also reduces the likelihood of information getting transmitted incorrectly since it is coming from the applicant source. Automation can help businesses increase their production rates and productivity, and saves time.

When considering a contractor screening resource, it is important that all data and responses be accessible from one centralized system. This system should be safe, secure, and smart. The burden of administration work (gathering and submitting information) should be done in one easy step.

Data Source

Most companies source their background check data from a single resource. It's important to understand that this may not be the best practice.

A company that sources their data from multiple sources will ultimately provide you with the most comprehensive and effective solution. This is very similar to an Expedia-like process. The more resources available, the more thorough the assessment can be.

In the end, the applicant should be able to submit information 24 hours a day. The business should get the information they need from a trusted background screening firm that includes accurate and up-to-date information.

Security in Action

Renovo, eVerifile's next generation, cloud-based technology platform, streamlines and automates. In addition to pre- and ongoing employment screening, eVerifile's technology also implements hosted training and assessments, and ID badging. A key advantage of our integrated data provider model offers workload balancing – greatest amount of capacity as well as ability to scale to any level of hiring. Further, this model allows the capability to provide optimized blend of data services from the leading industry providers – where each is at its best.

This solution also allows for redundancy, flexibility, optimal turnaround times, and data accuracy from a variety of global data partners.

BE CERTAIN with eVerifile

Key Questions to Ask

When implementing a contractor screening program, it is important to understand the various functionality and system requirements. Here are a few questions for the screening company that can help guide your decision-making.

Data Source

- Where do you source your data?
- What are the key providers from which you source your data?
- What is the accuracy of the data?
- How timely are the background checks returned?

Integration

- How is the screening program integrated from contractor to company?
- What is the link between background screening, training and badging?

- Can I save money if I have the contractor-screening program and background screening for my employees come from the same provider?

Customer Service

- What is the timeline and responsiveness of the organization?
- Do you have a dedicated account representative?
- What is the process for handling complicated cases and/or appeals?
- How do you communicate and enroll contractors to the program?

Technology

- Are there protocols in place for secure data transfer?
- How automated is the process?
- When was your technology last updated?

Security in Action

eVerifile is a certified minority-owned business, and the government standard for contractor screening in the railroad industry. eVerifile sources all background checks from multiple providers.

Data may be a commodity, but securing your company doesn't have to be. eVerifile offers industry-leading customer service to better assist with your needs.

Process for Buying

Protecting your organizational assets, customers, workforce, and reputation includes instituting a comprehensive contractor screening program. eVerifile makes it easy to institute such a program.

3 Easy Steps for the Enterprise Customer:

The Corporate Buyer will need to contact eVerifile to set up a master account.

Then, the enterprise sends an email to its vendors with a link to the eVerifile contractor screening platform.

Finally, they have ongoing usage of the platform to monitor contractors.

Security in Action

eVerifile is an industry leader of employee and contractor workforce intelligence solutions. Our mission is to provide organizations with technologically advanced risk assessment tools to screen and credential a high quality workforce. Our mission is to help our clients achieve higher levels of efficiency by leveraging technology to improve the existing processes of new applicant screening and employee records

There is no charge to the enterprise for contractor background checks, as the vendor will incur these fees. For more comprehensive solutions, such as training modules, custom programs are available as well as a consultation with your eVerfile expert.

For the Vendors Employing Contractors:

The vendor receives the link from the enterprise inviting them to the eVerifle platform.

Each time an employee is processed, the vendor will incur the standard applicant charge based on requirements.

Watch a short animation video that explains the importance of implementing contractor screening solutions:

http://www.e-verifile.com/why-everifile/watch-videos

management, while significantly reducing human resource operations time. As security continues to be a vital concern for our nation, eVerifile is honored to have the opportunity to serve by protecting our clients from hiring unqualified individuals through our employee and contractor background screening solutions.

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