

A BackCheck White Paper

## **Background Checks Industry Study: Sharp Rise in Criminal Records Revealed & CV Embellishments Identified**



**Know **Who** You're Hiring!**

# Background Checks Industry Study: Sharp Rise in Criminal Records Revealed & CV Embellishments Identified

## Summary

The times have undoubtedly changed. Nearing the end of 2008, the world hoped the rumours of a recession were unfounded. However the reality was that by September the downturn had begun.

The UK lost 154,266 jobs in the first few months of the recession alone. The hiring managers of the biggest players in the UK saw a stark rise in the number of red flags in their candidates' background check reports, and this trend has continued. From [criminal record checks](#) to [reference interviews](#) to [education and credential verifications](#), the trend is unrelenting.

BackCheck analyzed the five largest clients in six industries to measure the scope of the rising trend in red flags appearing in background checks. With each client hiring over 1,000 employees annually, these hiring patterns are indicative of the general economical state, and its impact on job applicants.

The industries surveyed were: **Health Care, Logistics, Banking & Finance, Telecommunications, Retail, and Energy & Utilities.** Pre-employment screening red flag patterns were tracked from March 2008 to February 2009, using September 2008 as the recession's starting point as evidenced by the data. Comparisons of red flags rates were made according to services rendered to our clients.

## Study by Industry

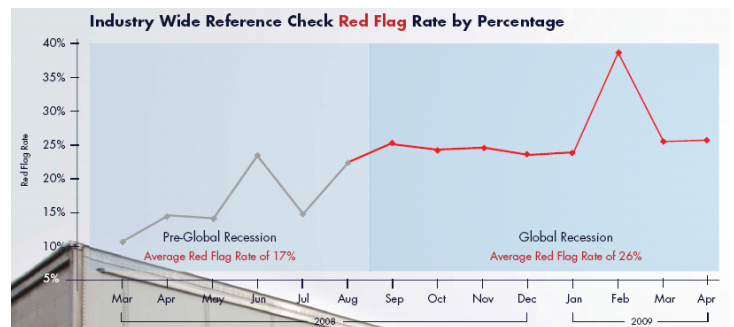
### Health Care

The Health Care industry witnessed a 72% increase in red flags associated with reference interviews and employment verifications. This conspicuous rise in the discrepancies found on CVs gave more responsibility to employers to scrutinise their candidates' pasts. One surveyed client was subject to a 314% rise in these red flags.



### Logistics

The Logistics industry saw a 61% rise in red flags associated with reference interviews and employment verifications. These poor employment histories are endemic of the need for candidates to get themselves hired, typically at the cost of their integrity. In September 2008, the Logistics' red flag rate for criminal histories was more than double the BackCheck average.



### Banking & Finance

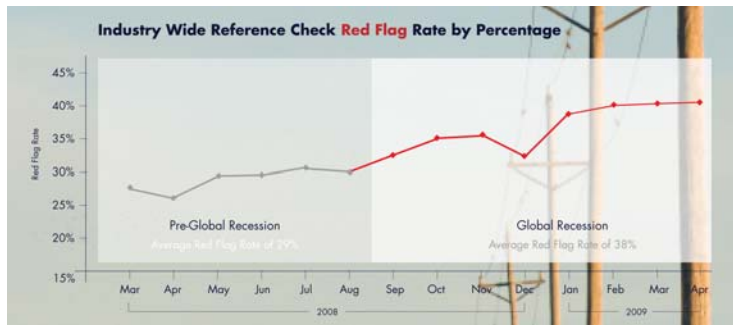
Banking & Finance was also subject to a dramatic increase in the number of red flags within their candidates' employment histories. As an industry there has been a 39% rise in these red flags. In the case of one major bank, the number of red flags discovered in education verifications nearly doubled. While desperate times may call for desperate measures, they also call for accredited bankers.



# Sharp Rise in Criminal History & CV Embellishments Found, Cont'd

## Telecommunications

The Telecommunications industry endured a 40% increase in red flags in candidates' employment histories. The incidence of candidates with a criminal history similarly swelled by 42%. Red flag rates rose in all services rendered to our top five clients.



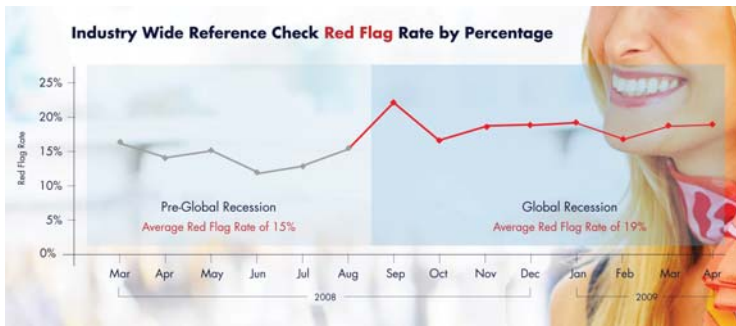
## Energy & Utilities

In the Energy & Utilities industry the rise was not so pronounced. However, there has been a rising trend in poor work performance with an industry increase of 11%. A major producer of hydroelectric power saw a 215% rise in these red flag rates. Discrepancies associated with education verifications also rose within the industry. One energy producer experienced a 72% increase in these red flags.



## Retail

Every major retail client experienced a rise in red flags associated with their candidates' criminal histories. As labour intensive sectors dried up, the unemployed moved into recession-proof sectors, forcing more candidates to lie about their criminal pasts and embellish their work histories. The industry saw a 27% increase in red flags associated with candidates' employment histories.



These cases exemplify the need for thoroughly background screening potential candidates. However performing detailed background checks can be time consuming and resource-intensive. As companies are becoming more financially conservative in the downturn, many are outsourcing HR-related services to companies that specialize in the field. BackCheck's services have proven to be an invaluable asset in avoiding poor hiring decisions, increasing employee retention, cutting costs, and averting liability issues.

Until the emergence of a stable economy is evidenced, candidates will continue to lie about their pasts, hide their criminal histories, and overstate their qualifications. We want to ensure that well-informed hiring decisions continue throughout the recession.

Do you know who you're hiring?



**Know Who You're Hiring!**