

COMMERCIAL INVESTIGATIONS LLC

# CI TIMES



## IDENTITY CRISIS

A jury recently awarded 13 Michigan employees \$275,000 for the mental anguish they experienced from identity theft and trying to straighten out their credit histories. This jury award was against the employees' union which neglected to safeguard their personal identifiers. This case broke new legal ground by establishing negligibility for employers regarding their duty to scrupulously guard employee personal identifiers such as Social Security and driver's license numbers.

Employers are liable for the consequences of their failure to protect employees' and clients' personal data. This liability includes hiring someone with a criminal record who has access to personal information. Identity theft goes beyond credit card fraud, as criminals and terrorists are known to fake their identities and use their workplaces as resources for the data they need to commit their fraudulent acts.

The crime of identity theft has been elevated to felony status. Employee and customer personal identifiers are a prime target for identity thieves. Employers should evaluate their internal policies and procedures to ensure the protection of confidential employee and customer information.

Many employers perform background investigations which include criminal histories and credit reports on applicants for

positions that have access to financial information or handle money. It is just as critical that employers protect themselves against identity theft liability by conducting background investigations on employees who have access to personal identifying information. Employers have a responsibility to perform due diligence in their hiring practices to ensure that they maintain a safe working environment. A safe environment includes the protection of employees' confidential information.

Conducting pre-employment or pre-promotion background investigations are a means for employers to perform due diligence and deter an applicant with something to hide from applying for a position of trust and responsibility. Most criminals and terrorists will not risk exposure by applying for positions at an organization that performs thorough background investigations. The use of background investigations by employers provides a means to know more about the individuals they plan to hire for positions that have access to employee personal identifiers; e.g. payroll clerks, human resources personnel and management positions.

Commercial Investigations LLC assists employers with protecting their employees, customers and overall businesses through their **BACKGROUND INVESTIGATIONS and CONSULTING SERVICES**.

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### CIWARE CLIENT CLUE

#### ONLINE CLIENT PACK

CI's Client Pack is now available online. The Client Pack contains all the forms necessary to implement a compliant BACKGROUND INVESTIGATIONS process.

CI clients have access to the Client Guide which provides valuable information about BACKGROUND INVESTIGATIONS, including explanations of the various laws that govern the process. The FCRA Users Notice details the requirements of the Fair Credit Reporting Act. The Pre-adverse Action Notice Form and the Adverse Action Notice Form, required by the FCRA, are also available in the clients pack.

Contact CI to obtain the link to the Client Pack.

## FACTA DISPOSAL RULE

The Fair and Accurate Credit Transactions Act (FACTA) has rendered the circular file obsolete and made the shredder the most highly sought after piece of office equipment. Federal Trade Commission regulations dubbed the “Disposal Rule” became effective June 1, 2005.

Under the Disposal Rule, anyone who has access to consumer report information is required to properly dispose of such information. Consumer report information includes details concerning a subject’s character, general reputation, personal characteristics, mode of living, credit worthiness, credit standing or credit capacity. The Disposal Rule covers employers and their pre-employment background investigations reports as well as landlords and their prospective tenant background investigations reports.

The Disposal Rule is intended to reduce identity theft and fraud by requiring that reasonable measures be taken to protect against unauthorized access to or use of the information in connection with its disposal. The regulations give various samples of disposal, but do not require specific measures. Instead, they require “reasonable measures” such as burning, shredding or pulverizing of papers, erasing electronic media, destroying electronic media and establishing policies and procedures governing dis-

posal which include appropriate employee training. When contracting with outside vendors to dispose of consumer report information, businesses must exercise due diligence in choosing a reputable company and enter into a written contract identifying the papers and/or electronic media as consumer report information and requiring compliance with the Disposal Rule.

In today’s security conscience world, the Disposal Rule makes a lot of business sense when it comes to protecting customer and employee sensitive data. If that isn’t enough to influence compliance, consider the civil liabilities and penalties, actual damages, statutory damages of up to \$1,000 per violation, punitive damages, civil penalties of up to \$2,500 per violation and attorney’s fees.

CI recommends that its clients utilize a confetti shredder to properly dispose of their background investigations reports. Also, that they include disposal language in their background investigations policy and procedures. It is important to properly implement and monitor compliance with the established policy and procedures to ensure that information covered cannot practicably be read or reconstructed. For assistance in complying with the disposal rule, please contact a CI representative.

### ∞ INQUIRY SPOTLIGHT ∞

#### SSN & ADDRESS VERIFICATION

CI’s SSN & ADDRESS INFORMATION inquiry is a powerful investigative tool that verifies the validity of an applicant’s Social Security Number, reveals various names (aliases) associated with the SSN and provides information on prior addresses and movement patterns, including the approximate dates of residence at each address.

CI’s SSN & ADDRESS INFORMATION inquiry is appropriate for proper due diligence. It establishes an investigative starting point and allows for a more complete background investigation by verifying applicant provided information against a third party database, thus ensuring a thorough criminal investigation encompassing at least the last seven years of residence.

To learn how to add this search to your BACKGROUND INVESTIGATIONS inquiries and how best to utilize this information, or for further information, please contact a CI representative.

## ALIASES: MULTIPLE NAME CRIMINAL RECORDS SEARCHES

When implementing an effective BACKGROUND INVESTIGATIONS policy, employers should carefully consider how aliases or AKA's affect criminal records inquiry results. CI's investigative approach to background screening allows clients the opportunity to optimize the results of criminal record inquiries.

CI recommends using a SSN & Address Verification search to verify a subject's aliases, including maiden name and the residencies associated with those names. CI compares results of the SSN & Address Verification with the applicant's Consent Form response to the question regarding prior counties of residence.

A SSN & Address Verification inquiry is based on social security number only and will report all recorded names and residency occurrences pertaining to that spe-

cific social security number. Because it is not name based, it reveals all names associated with the Social Security Number, providing CI with the information necessary to run criminal record inquiries on multiple names in multiple locations.

Proper due diligence requires a complete seven year criminal record check, including criminal records inquiries on all aliases in all associated jurisdictions. To increase the cost effectiveness of a complete seven year criminal record check policy, CI searches only the names associated with a particular residency, as determined from the SSN & Address Verification results and the subject's Consent Form responses. For further information on implementing an employment background check policy that considers aliases when performing criminal record inquiries, contact a CI representative.

This publication is designed to provide accurate and authoritative information with respect to the subject matters covered. It is distributed with the understanding that CI is not engaged in rendering accounting or legal services.

### CI'S GOALS

Provide thorough, timely and accurate private investigative services.

Maintain a high standard of quality and client service.

Promote solutions through relationships and dedication.

Diversify services offered by industry and location of clients.

Grow through continued reinvestment in the company.

## COMMERCIAL INVESTIGATIONS LLC

### A Full Service Licensed Private Investigative Agency

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### Services provided include:

#### BACKGROUND INVESTIGATIONS

CI provides accurate, timely, cost effective and fully compliant reports delivered with exceptional client service.

#### CONSULTING SERVICES

CI assists you in implementing a compliant background investigation process as well as providing assistance in implementing in-house procedures.

#### SURVEILLANCE SERVICES

CI offers high quality surveillance reports and supporting documentation derived through the use of the latest available technology.

#### PROCESS SERVING

CI delivers timely, cost effective, compliant and fully documented process serving that is delivered with exceptional client service.

#### MYSTERY CUSTOMER

CI provides detailed reports documenting your operations or that of your competitors.

#### COMPETITIVE INTELLIGENCE

CI assists you in gaining a competitive edge with discrete, thorough and valuable intelligence.

### CI MISSION STATEMENT

Dedicated to providing innovative Private Investigative solutions to its clients and working with them to develop tailored services that meet their needs.