

Verifications Best Practices:

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

**Best Practices Committee –
Verifications Subcommittee**

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Table of Contents

Introduction.....	2
Terminology	3
Consent/Authorization Form -	3
Consumer Reporting Agency -	3
Electronic Signature -	3
Fair Credit Reporting Act (FCRA)-	3
Third-Party Source -	3
Wet/Written Signature -	3
General Guidelines for Successful Verifications	4
Provide as much information as possible with the search request.	4
Have a signed consent form from the applicant.	4
Request the level of verification that best fits the employer’s needs.....	4
Be patient.	4
Employment History.....	5
Description -	5
Means of Verification -	5
Delays, Exceptions & Search Complications -	6
What about electronic signatures on applicant release authorization forms?	6
Minimum Employment Verification Request Information Required -	7
Education History	8
Search Description -	8
Means of Verification -	8
Delays, Exceptions & Search Complications -	8
What about electronic signatures on applicant release authorization forms?	9
Minimum Education Verification Request Information Required -	9
Professional and Personal Reference Interviews	10
Search Description -	10
Means of Verification -	10
Delays, Exceptions & Search Complications -	10
Earned Credentials/Licenses.....	11
Search Description -	11
Means of Verification -	11
Delays, Exceptions & Search Complications -	11
Military Service.....	11
Search Description -	11
Means of Verification -	11
Delays, Exceptions & Search Complications -	12
Conclusion	12

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Introduction

Verification of a job applicant's professional and educational history, or other provided information, is critical to confirming a candidate's qualifications. A major concern in the hiring process in any industry is falsification of information on a resume or application; however, verifying credentials will help identify discrepancies which can save your company time and money in the long run. Verifications may be undertaken by the employer, but due to the time and cost associated with this process, many elect to outsource them to a background screening company.

The most common verification services include the following:

- **Employment History**
- **Education History**
- **Professional and Personal Reference Interviews**
- **Earned Credentials/Licenses**
- **Military Service**

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

This document is created for employers who wish to outsource the verification process to background screening companies, also known as Consumer Reporting Agencies (CRA). Even though the verification is outsourced, the employer still plays a critical role in the successful completion of a verification request by providing proper and complete information early in the process. Complete information provided to the CRA minimizes the potential for delays. This document discusses some of the actions an employer can take in order to improve the turnaround time and probability of successful outsourced verifications.

Terminology

The following are common terms an employer should know when discussing verifications.

Consent/Authorization Form –

The form signed by the applicant that authorizes the background check under the guidelines of the federal Fair Credit Reporting Act (FCRA).

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.

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 (FCRA)–

This is the set of federal regulations administered by the Federal Trade Commission (FTC) and the Consumer Financial Protection Bureau (CFPB) 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 of their current or former employees or students so that their own HR and administrative staff don't have to process these requests. These third parties gather and maintain information from the institutions and employers they represent, and they charge a fee to access that 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/Written Signature –

A wet/written signature is completed by the subject by signing the name in pen or pencil and may include a mouse signature.

General Guidelines for Successful Verifications

Provide as much information as possible with the search request.

The full employer or school name, city and state information, candidate 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 can cause delays and result in longer turnaround time. Typically, the more information provided to the CRA will result in quicker turnaround time. Additionally, because many previous employers will only verify the information that the CRA has in their system, as opposed to releasing information freely, the more information the CRA is given by the candidate and employer, the more information that can be verified by the previous employer or school. It is also important to provide the correct name the record can be found under. For example, if a candidate has been married and you are verifying her high school diploma, her diploma record is most likely under her maiden name. Other important information to provide is graduation date for education verifications and employment dates and title for employment verifications.

Have a signed consent form from the applicant.

Unlike many other types of background searches, verifications may require that a copy of the applicant's consent be provided 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 the employer's needs.

Have the CRA conduct a simple or standard verification, obtaining only the required amount of information needed for you to make a hiring decision. 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 extending turnaround times.

Be patient.

In some cases, the source of the information to be verified does not view a timely response to be a priority. 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 to verification requests. In these situations, it can sometimes be helpful to get the applicant involved in the process to familiarize their previous employer with the CRA, and relay the importance of the verification for their future employment.

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. The employment verification can also include reason for leaving, eligibility for rehire, salary information, employment status, etc.; however, some sources may have a policy that prevents the release of some or all of this information. They may also 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 they agree with that 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 applicant.

Expanded information would typically be obtained from a manager, supervisor or peer. With these, you may be able to obtain detailed information as to the individual's relevant skills, time management, disciplinary actions, character, work habits, and personal characteristics. In addition, customized questions based on specific industry may be also be utilized.

Helpful Hint Managers and supervisors are ideal contacts for a professional reference; however, for employment data, the best resource is a Human Resources or Payroll Department. Every company has a different process to verify information, but verifiers must be mindful of whom the verifying party is to ensure you are receiving legitimate verification information.

Asking questions beyond factual items (dates, position, salary, etc.) means the background report received by the employer will most likely be considered an Investigative Consumer Report, governed by FCRA § 606. In this case, the employer has additional responsibilities under the Act, including but not limited to additional disclosure requirements. Also, some states have unique Investigative Consumer Report requirements beyond the federal FCRA that may be applicable.

Helpful Hint: Keep the verification to factual questions, if only a standard verification is required. Asking custom questions may result in an additional and unnecessary burden on all involved parties.

Means of Verification –

Employment verifications are primarily conducted via telephone, and some prefer or require verification requests to be submitted by facsimile, email, or U.S. postal mail. However; in the last 5-10 years, a growing number of large employers have moved to outsourcing their employee/payroll files to third-party organizations to perform the verifications service. In these cases, the employer will not accept any direct requests for verifications, but instead will refer all verification requests to the third-party source. The third-party source charges the requestor a fee to obtain the information, typically ranging from \$10 - \$25. Most CRAs pass these fees on to customers as a separate charge item, while others incorporate them into the price of their verification products. Salary information from third-party sources may also 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: A CRA has no choice in using these third-party providers and a fee is always involved. Ask your CRA what the common fees are so that you can budget appropriately.

Delays, Exceptions & Search Complications –

CRA's are subject to the discretion and willingness of human resource departments, human resource professionals, payroll departments and employers to return requested information in a timely manner. Most CRA's will place several calls over a period of days to an employer in order to obtain the verification, but the number of calls placed will rarely be unending as there is a diminishing rate of success with each additional call. Most CRA's may have a policy of a standard maximum number of calls placed, and 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 or may not be a fee imposed to re-open a search if additional information is provided by the applicant after the fact.

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.

Additionally, some employers require a copy of a signed consent or authorization 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) a signed consent is required 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 CRA's encourage clients to email, fax or upload (into the CRA's web-based system) a copy of each subject's signed consent form if a verification service is 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 uses this practice and how they would like the forms to be sent.

Also of note, 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.

What about electronic signatures on applicant release authorization forms?

Former and current employers may hesitate to respond when provided with an electronically signed release authorization. However, this hesitation does not make the signature any less valid. In 2000, the Electronic Signatures in Global and National Commerce Act (E-Sign Act) went into effect, which states that neither contracts nor signatures should be denied legal effect solely because they are in electronic form. In light of the

E-Sign-Act, many Disclosure and Authorization forms today are signed electronically, and if they are in compliance with the Act, they should be accepted by past employers and educational institutions. However, with change there often comes resistance. For instance, some entities may initially refuse to accept an electronic signature altogether and debating the legitimacy of the signature with that individual or entity can cost precious time and delay an otherwise qualified job applicant's potential placement.

Helpful Hint: To minimize the potential for this resistance, as well as educate outside entities as to the validity of electronic signatures, NAPBS has created a document titled “Letter to Third Party Requesting Acceptance of Electronic Signature” which can be found by clicking [here](#) (login may be required). When verification requests are accompanied by electronically signed release/authorization forms and a customized copy of this letter, with or without your company's and the NAPBS logo, recipients that are otherwise unaware of, or uncomfortable with electronic signatures may be inclined to take the information in consideration and respond quickly to the request without questioning the signature's legitimacy.

Minimum Employment Verification Request Information Required –

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

- Applicant name when employed
- Full name of company
- Dates of employment (Start and End Date)
- Job title
- Contact phone number (or minimum of city/state the company is located in)

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. However; some companies will only confirm or deny data provided to them and nothing else, so providing as much information as possible is recommended so the CRA can then complete the verification the first time 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. The name of the company is obviously important and if it is a division within a company, it is also helpful to know that, as records may be stored in separate locations. Similarly, the applicant 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) will help improve overall turn-around time by minimizing the amount of time a CRA has to spend researching employer contact information. Additionally, 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 experiencing difficulty finding the applicant's file.

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 manner in order to provide the same courtesy to other employers that your company requests from them.

Education History

Search Description –

Provides confirmation of attendance and/or 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 communications are the most common means to obtain confirmation of completion and fulfillment of institution requirements. Additionally, some institutions do require a postal mailed request. However, in recent years, a steadily growing number of institutions have outsourced their enrollment and graduation information to third-party organizations. In these cases, the institution will not accept any direct requests for verifications, and will instead refer all such requests to the third-party source. The third-party source charges the CRA a fee to obtain the information, which typically range from \$5 - \$25. Some CRAs may pass these fees on to customers as separate charges, while others may incorporate these fees into the total price of their verification service.

Helpful Hint: A CRA has no choice in using these third-party providers and a fee is always involved. Ask your CRA what the common fees are so that you can budget appropriately.

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 name at time of attendance and dates, or according to the specific college, school or department attended or major declared. To protect against identity theft incidences, fewer colleges and universities will allow records to be obtained via SSN or may use a truncated or abbreviated SSN.
- Some GED verifications must be completed by postal mail, which may take weeks, and during seasonal school breaks it may take months. Administrative offices managing GED records also often charge a small fee to obtain information but increasingly, third-party providers are delivering verification of GEDs in a more timely and electronic manner.
- 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 email, fax or upload (into the CRA’s web-based system) a copy of the subject’s signed release with every education verification requested. This will allow the CRA to reduce some delays and complete the search more efficiently, since they will not need to contact you for copies of signed consent forms when they are required. Find out if your CRA encourages this practice and how they would like these consent forms to be provided.

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

What about electronic signatures on applicant release authorization forms?

Just as noted in the **Employment History Verification** section of this document, educational institutions may hesitate to respond when provided with an electronically signed release authorization. However, this hesitation does not make the signature any less valid. In 2000, the Electronic Signatures in Global and National Commerce Act (E-Sign Act) went into effect, which states that neither contracts nor signatures should be denied legal effect solely because they are in electronic form. In light of the E-Sign-Act, many disclosure and authorization forms today are signed electronically, and if they are in compliance with the Act, they should be accepted by past employers and educational institutions. However, with change there often comes resistance. For instance, some entities may initially refuse to accept an electronic signature altogether and debating the legitimacy of the signature with that individual or entity can cost precious time and delay an otherwise qualified job applicant’s potential placement.

Helpful Hint: To minimize the potential for this resistance, as well as educate outside entities as to the validity of electronic signatures, NAPBS has created a document titled “Letter to Third Party Requesting Acceptance of Electronic Signature” which can be found by clicking [here](#) (login required). When verification requests are accompanied by electronically signed release/authorization forms and a customized copy of this letter, with or without your company’s and the NAPBS logo, recipients that are otherwise unaware of, or uncomfortable with electronic signatures may be inclined to take the information in consideration and respond quickly to the request without questioning the signature’s legitimacy.

Minimum Education Verification Request Information Required –

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

- Name used at graduation
- Dates attended and/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 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. Many high schools will maintain recent records at the school and move them to their administrative offices after a few years. Also, remind applicants 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. 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.

Professional and Personal Reference Interviews

Search Description –

Provides personal or professional reviews or ratings of prospective job applicants. References can include professional, personal, and trade references. Some CRAs may have standard questions used for reference purposes or maintain and utilize specific questions for particular industries. These questions are typically related to the individual's relevant skills, time management, disciplinary actions, character, work habits, and personal characteristics. Customized questions may be available from your CRA as well, which may or may not come at an additional fee.

Means of Verification –

The CRA contacts the reference, typically by telephone, though email is increasingly being used. Questions can also be submitted via fax as well.

Helpful Hints: Employers should thoroughly weigh the pros and cons of reference request formats that allow an individual to “reply back” (email, fax). Because they are not a “live” response, they can allow the contact to be more calculated or reserved in their response, or rewrite/delete a statement they otherwise would not be able to do during an at-the-time question over the phone. This format also removes the human element from the process, making it virtually impossible to interpret “tone” or demeanor, or to gage if the reference is truly an appropriate, knowledgeable, and valid contact.

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 Hints:

- 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.
- Instruct your applicants to notify their reference that the CRA will be contacting them. Familiarizing the reference with the CRA will help ensure a timely response.

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 filed 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. It is also common for Community Colleges to offer certificate programs, but they may not be the actual source for verification. Many times they partner with an outside organization (i.e. American Red Cross) and the outside organization will ultimately be responsible for housing and verifying the certificate.

On rare occasions, some verifying parties may require a copy of a signed consent or release before providing the verification information to the CRA (or directly to you). In these situations, the same scenarios laid out in **Employment** and **Education Verifications** can apply as they relate to signed consents.

Helpful Hint: Some CRAs encourage clients to email, fax or upload (into the CRA's web-based system) a copy of the subject's signed release with every credential/license 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 consent forms sent to them.

Military Service

Search Description –

Provides verification of military service as well as discharge status.

Means of Verification –

There are some instant online resources to obtain some verifications of military service. However, most verifications cannot be obtained this way. As a rule, employers should request a copy of the applicant's DD-214 Form, which is official documentation from the military that includes, but is not limited to, the nature of discharge, service record, and training history.

Helpful Hint: Employers should be precise in asking for an unedited, certified copy of the DD-214 from the applicant.

From there, an employer can accept this at face value, or take additional steps to verify the document. This is highly advisable based on how easily documents can be edited or forged altogether. This additional level of verification or authentication is done by having the applicant fill out an official Form 180 (DD-214 request form) and submitting it to the National Personnel Records Center for processing, either directly by the employer or through a CRA. Once processed, the DD-214 returned from the National Personnel Records Center should be a match to what the applicant provided. Also, if a DD-214 is not requested from the applicant, or if the applicant does not have a DD-214, CRAs can still assist by having the applicant fill out the Form 180 and submitting it to the National Personnel Records Center on the employers behalf.

Helpful Hint: If the applicant has not been out of service very long, a reference may sometimes be obtained from the most recent commanding officer. However, this is not as official as a DD-214 response, and may not be considered an adequate substitute.

Delays, Exceptions & Search Complications –

Response time for records requested from the National Personnel Records Center (NPRC) varies and is dependent upon the complexity of your request, the availability of records, and workload.

Helpful Hint: Do not send a follow-up request before 90 days have elapsed, as it may cause further delays.

While the NPRC works actively to respond to each request in a timely fashion, the Center receives approximately 4,000 - 5,000 requests per day. They are responding to requests for separation documents received within the last 10 days about 92% of the time. However, requests that involve reconstruction efforts due to the 1973 Fire, or older records which require extensive search efforts, may take six months or more to complete.

Conclusion

Performing verifications and references is labor-intensive and time consuming work, so it makes sense that employers prefer to utilize the services of a consumer reporting agency to not only to obtain the information, but to ensure the process is facilitated in a consistent, timely, and effective manner. However, it is critical that employers provide as much detail as possible to its CRA partners at the start of the process to minimize delays and ensure quality results. Additionally, because the CRA and prospective employers alike are entirely at the mercy of outside entities that have no direct obligation or mandate to respond, and given all the other variables described herein, patience and persistency may perhaps be the only constants in the world of verifications.