

ELEMENTS OF A PROPER BACKGROUND CHECK

There are many misconceptions about what is possible when conducting background research on an individual or company. This article examines many of those misconceptions and offers a realistic view of what is, and is not, possible. It also provides criteria when evaluating background checks and the firms providing them.

Michael C. Levien

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Background Checks – More Than Just Criminal Records

Many people believe a background check consists solely of verifying their Social Security number, or just a criminal record search, or perhaps those and an “Internet” search. In fact, a proper background check includes numerous sources, including but not limited to criminal and sex offender records, bankruptcy filings, liens and judgments, civil litigation, regulatory filings, corporate records, professional licenses, asset ownership, media (news articles, Internet content, social media), voting history and political contributions, education and employment verification, personal and professional references, and other sources.

In addition, background checks can also include driving history records and consumer credit reports, along with drug testing results, depending on the exact circumstances (and under applicable law/permissible purposes/with the individual’s consent).

And although all record sources cannot be searched in every case, limiting the research to just a few sources (to save money) can often leave critical information undiscovered and incur potential great costs later.

Too Much Information

With the proliferation of electronic and online databases, as well as the Internet and social networking websites, developing information on someone is usually not the problem. The difficulty often lies in determining the reliability and accuracy of the information. For example, if a person has even a modest profile there may be dozens, hundreds, or even thousands of records (e.g., lawsuits, corporate records, regulatory filings, media reports, and the like). The ability to quickly sift through the record for pertinent information and determine the veracity of the source, as well as the information itself, is vital.

Not Everything Is On The Internet

While the amount and availability of information is greater than ever, another common misconception is “everything” is available on the Internet. According to a leading resource of online public records, “More than 25% of state and county government agencies do not provide public records online. Less than 50% of the courts provide online/onsite search equivalency to docket

lookups.” To conduct a full and comprehensive background check, multiple source and multiple methods must be utilized. Depending on the jurisdiction, it may be necessary to search for records in-person at the local level. For example, although some states may offer a “statewide” criminal record search, and some even make it accessible online, not all of the state’s counties may participate and contribute their records so manual searches may still be required

Background Checks Are Not DIY

Many companies or individuals think because they have access to databases, such as LexisNexis, or research tools like Google, they can find all the information that exists on a person or a company. As noted above, many record sources – such as criminal records, liens, judgments, and the like – are not available electronically. And even if the appropriate sources of information are available, searching them often requires skill as well. Most people can add, subtract, multiply, and divide, but many still have a professional complete their taxes. In other words, even if a person has access to the appropriate sources and the skills to search them proficiently, a professional background check firm will likely be able to complete the work much more efficiently.

Research and Analysis Takes Time

It takes time to identify a person fully and properly or verify provided information. Proper research will identify possible alternative names, such as a maiden name, or other name variations – perhaps which the person may not have disclosed, or they try to conceal. It takes time to determine the places the person lived or worked, plus the surrounding jurisdictions. Yes, certain databases make searching multiple places, record sources, and individual records relatively easy, but not in places or for sources the databases do not capture. As mentioned above, not all jurisdictions make their information electronically available, often leaving large gaps of data that need to be searched by other methods (namely in-person or “by hand”). And finding a record is only the beginning. Carefully reviewing and analyzing the record is also a critical component to sound research. It is paramount to determine if the adverse information found belongs to “John Smith” the real estate developer and subject of the background check or just another individual named “John Smith.” And despite many thinking artificial intelligence (AI) can do it all, AI has yet to solve the problem of “name match” records when other identifying information is not available.

In House vs. Out-Sourced

Some firms outsource their U.S.-based investigations to India, China, or other overseas locales – saving costs, but losing local perspective, quality control, and possibly the confidentiality of the research.¹ Similarly, there are U.S.-based “investigative” firms that rely on computer algorithms and “screen scraping” software to conduct background checks. These firms are usually established by individuals with computer engineering or software development skills – not investigative or research expertise.

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¹ A recent *Wall Street Journal* article reports a large, U.S.-based background check firm had its offices located in China raided by authorities – questioning if client and deal information may have been compromised.

A proper background check in the U.S. will likely cost at least several hundred to a few thousand dollars, depending on the exact circumstances, plus related expenses.

You Get What You Pay For

As Warren Buffet says, “Price is what you pay, value is what you get.” Many places claim their databases hold “millions” of records and they offer background checks for as low as \$19.99 or even \$0.25 a search. But if the sources and records are not germane to your subject, the results are worthless. To put it another way, would you pay even a penny to search all the criminal records available on Mars? And if the searches return hundreds or thousands of records, too many to reasonably sort through, again the results are meaningless.

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Selection Criteria

Based on the above, a proper background check should include multiple record sources, as well as multiple means of searching – such as electronic databases, online searches, and manual searches as appropriate. Searching for and finding records is only the start, thorough review and analysis of the information is essential. Employing a professional research staff that is highly trained is vital because conducting domestic research from abroad may save money but quality and confidentiality can suffer. Similarly, artificial intelligence (AI) and other technology cannot yet distinguish between “name match” records and ones that actually pertain to the subject of the research. Finally, a proper background check is much like any other important service: It can be fast, inexpensive, and good – but you can only choose two.

About The Author

Michael C. Levien

Michael has been working as a private investigator since 1992. During his career, he has managed numerous international cases in Europe, Asia, Latin and South America, and thousands of investigations in North America.

Before co-founding LexPro Research in 2006, Michael worked for a consulting firm specializing in international intelligence gathering, crisis management, overseas business facilitation, and corporate due diligence. He also managed complex insurance claim investigations and he conducted various risk and security assessments both in the U.S. and abroad.

Michael has also worked on civil litigation disputes, counterfeit merchandise investigations, shareholder proxy battles, environmental investigations, insurance fraud and corporate embezzlement cases. He has several years of experience conducting field operations such as surveillance, undertaking both discreet and traditional interviews, and researching public records.

Michael has a Master of Science in Protection Management from John Jay College of Criminal Justice located in New York, New York, and a Bachelor of Arts from The George Washington University located in Washington, D.C.