

5 Top Reasons for Doing a Background Check

Article by: Sue Edwards

When conducting a background check on the Internet, or by any other means, you should always keep in mind your particular reasons for doing a background check.

Here are five reasons why most companies or individuals conduct background checks:

1. Negligent Hiring - in recent years, companies are being held liable in negligent hiring cases for not completing thorough background investigations. Companies and individuals have to face up to the fact that it is not only about what they know about a person, but also about what they should have known about a person. There is simply no way to avoid this. Not doing a thorough background check is as dangerous a practice as not having insurance. Doing criminal background checks alerts you to potentially dangerous job applicants or tenants (if you are a landlord). It is estimated that the average cost is \$150,000 per incident.

2. False Skill or Training Claims - anyone you have hired, or are looking to hire, who falsely claims previous training, experience or education, is becoming a major problem for businesses and individuals. A recent study has found that 53% of applications contain falsehoods. Not doing background checks in this situation results in hiring incompetent, or even worse, dangerous people. Not finding false information on applications can also lead to high turnover, loss of business, loss of productivity and high liability exposure. By doing a thorough investigation, these risks can be limited. The average estimated cost is \$32,000 per incident.

3. Workplace Violence - On-the-job violence has become a major problem. Homicide is now the #2 cause of death in the workplace. Not only is there a human cost, there is the cost of business disruption. Very often traumatic incidents can lead to firings. The cost of rehiring and training and possible expensive litigation is also a factor. The average estimated cost is \$1 million per incident.

4. Employee Theft and Fraud - approximately 30% of all business failures are due to employee theft and fraud (cited by the US Chamber of Commerce). It is estimated that 70% of these crimes are committed by repeat offenders. Doing criminal, civil, workers compensation and Department of Motor Vehicles background checks are your best protection. The average estimated cost is \$650 per incident.

5. Lawsuits & False Claims - it seems in our world today there are individuals who are always looking to take advantage of businesses. These individuals use nuisance, trumped up, or even fraudulent insurance and Workmen's Comp. claims for initiating lawsuits. The dollar cost is staggering, with increased insurance premiums not to mention the cost of legal counsel. With just a few simple background checks (including criminal, civil, Workmen's Comp. histories) you can dramatically reduce your risk. By spending just a few dollars you can save yourself thousands. The average estimated cost is \$7,500 per incident.

Protect yourself, the ones you love and your assets. The price is very small considering what the consequences might be if you don't take the time to do a background check!

The Best Always & Stay Safe,

~ Sue Edwards

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It may save your life! Sue R. Edwards has a diverse background in: Banking, Taxi Driving, Auto Mechanics, Industrial Mechanics, Nuclear Power, Computer Repair and Law Enforcement. Sue is an active foreign currency trader and internet marketer with a career online working for herself! <http://www.realforextrading.com>
<http://www.webmarketinggold.com>