

PAPERLESS BACKGROUND CHECKING: LEAN, GREEN & SMART

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In the current climate of global economy and instant communication, all things “green” have stepped away from the fringes of business and into the spotlight. Green processes, once-marginalized, have become an important differentiator as companies compete across multi-cultural and multi-generational sensibilities. A Forrester study commissioned by Cisco Systems, Inc. sums it up:

“Environmental sustainability is climbing up the strategic agenda for most corporations. Green initiatives are driven by a combination of strategic goals like enhancing the brand, complying with regulation, and simply doing the right thing as a corporate citizen, and bottom-up motivations like saving money by cutting down on energy consumption.”¹

“The search for common interest would be less difficult if all development and environment problems had solutions that would leave everyone better off.”

Our Common Future: Report of the World Commission on Environment and Development, [UN Document A/42/427](#)

Environmental performance is no longer limited to the use of recycled paper products or energy-efficient lighting. Companies have begun to require greater visibility into environmental performance in every area, from lunchroom to boardroom. Many corporations have already implemented resource-conscious processes in their talent management programs.

A quick search of the [HR.com website](#) for the word “paperless” will bring up screen after screen of articles, white papers, etc. extolling a wide range of paperless recruiting services and online payroll and staff management tools that present “numerous opportunities to improve efficiency, cut resource consumption, and save money all at the same time.”² In addition, going paperless eliminates the vulnerability of traditional paperwork.

The company that has already begun to consider these issues internally will quickly grasp that the logical step is to partner with a company that leverages technology to perform employee background checks and assessments, and to select the greenest technological solutions that partner can provide.

FUNCTION WITHOUT (PAPER) FORMS

As every HR professional knows, recruitment, on-boarding and talent management processes generate an avalanche of forms. Traditional forms represent a waste of paper and

¹ [“IT’s Role in Reducing Corporate Environmental Impact”](#), a commissioned study conducted by Forrester Consulting on behalf of Cisco Systems Inc., January 2009

² Ibid.

energy, and require considerable storage real estate and management bandwidth. Moreover, paper forms are shadowed by the inefficiency of misplacement and the risk of the accidental exposure of confidential information.

By eliminating paper forms from all stages of background checking, companies can “go green” while saving time and also adding a valuable layer of security.

Paperless Orders

While some companies stick with the old school approach of supplying screening partners with written and faxed orders, the majority of modern firms long ago abandoned this approach to save resources and speed turnaround time by submitting background checking and testing orders electronically.

Logging in to a secure, encrypted online order portal, such as Sterling Direct or Screening Edition, the recruiter or manager selects the services for the background checking order and enters the related candidate information.

Companies already using an electronic HRIS (Human Resource Information System) or ATS (Applicant Tracking System) solution for managing human capital can have their background checking partner integrate with that platform. Using this approach, the services are selected and the related candidate information for that order is seamlessly and securely exported from the HRIS/ATS application to the background checking company.

At Sterling Infosystems, using best-of-breed technology, the orders placed via either scenario progress quickly and smoothly through an automated business process that supports fulfillment, and screening results are electronically returned to the requestor. Throughout the process, requestors have access to real-time status information, order management dashboards, and other time-and-energy-saving tools that support an end-to-end paperless order experience.

Electronic Wet Signature

Consent & Disclosure forms must be signed by the subject of the proposed investigation or test. At first glance, it would seem impossible to satisfy FCRA compliance without using a paper form. However, according to the American Bar Association, the goal is to perform “an affirmative act which serves the ceremonial and approval functions of a signature and establishes the sense of having legally consummated a transaction”³ and that act is not restricted to putting pen to paper. In fact, the Federal Legislation (E-SIGN Bill) effective October 1, 2000, gives electronic signatures the same legal weight as wet ink signatures on paper.⁴

“... digital signature technology can be applied as a robust computer-based alternative to traditional signatures.”

American Bar Association

To satisfy the formalization of any transaction by signature, it is only necessary that the signature should perform what the information security profession terms a “nonrepudiation service,” providing both signer authenticity (the ability to indicate who signed) and

³ “Digital Signature Guidelines” Tutorial, American Bar Association Section of Science & Technology Law.
<http://www.abanet.org/scitech/ec/isc/dsg-tutorial.html>

⁴ from the website of US Legal Inc <http://answers.uslegal.com/questions.php?q=1228>

document or message authenticity (the ability to identify what was signed). “Optimally, a signature and its creation and verification processes should provide the greatest possible assurance of both signer authenticity and document authenticity with the least possible expenditure of resources.”⁵ The ABA concludes that “digital signature technology generally surpasses paper technology in all these attributes.”⁶

The Federal Electronic Signature legislation is “technology neutral.” While some technologies use the electronic equivalent of the historic “X – his mark”, more sophisticated technologies, such as Sterling’s Electronic Wet Signature, capture an actual image of a signature that the candidate provides via mouse, touchpad or stylus. This becomes part of the encrypted image of the Consent and Disclosure form, ensuring the unique association of the digital signature and its message and satisfying the highest compliance and security standards.

Furthermore, technologies such as those used by Sterling will attach the encrypted file to the related background checking order, a system that, unlike papers clipped together in a file cabinet, enables instant document retrieval on an as-needed basis while continuously protecting any sensitive information contained in the signed form.

DHS COMPLIANCE

While recognizing that a diverse workforce contributes greatly to a vibrant economy, the U.S. government notes that this same strength and vitality also attracts unauthorized employment, a potential risk to national security.

U.S. law states that companies may only employ either U.S. citizens or those foreign citizens who are legally authorized to work in the United States.⁷ To reduce the risk of potentially hiring unauthorized workers, a new employee is required to provide certain documents attesting to his or her identity and eligibility for U.S. employment. These documents are inspected by the employer for validity. The employer manages this process using Form I-9, which details the documents provided and, signed by both the employee and the employer, also serves as a permanent record of the company’s compliance.

The Form I-9 requirement stems from Section 274A of the Immigration and Nationality Act, and implementing regulations.

Every instance of Form I-9 involves multiple papers and the recording of personal information such as passport numbers, green card identification numbers, etc. that require the highest level of confidentiality. Staff must be trained in the correct use of Form I-9 and must be re-trained whenever changes are made to the form or to the compliance procedure. If an ICE audit discovers errors on these forms, companies may be fined. Not surprisingly, the move to streamline and secure this process through technology has been proceeding on multiple fronts.

E-Verify

E-Verify is an internet-based system operated by the Department of Homeland Security, in partnership with the Social Security Administration. The system determines the eligibility of

⁵ ABA “Digital Signature Guidelines” Tutorial, Op.Cit.

⁶ Ibid.

⁷ US Citizenship & Immigration Services website <http://www.uscis.gov>

an employee to work in the United States by comparing information reported on that employee's Form I-9 with Homeland Security database records of employment-based visas, immigration and naturalization status, and U.S. passport issuance⁸ and returning the results in seconds.

The U.S. Citizenship & Immigration Services finds that E-Verify has made significant strides in “reducing the employment of unauthorized workers, protecting privacy and workers’ civil liberties, reducing discrimination, and preventing undue burden on employers.”⁹

While E-Verify can be used by companies that continue to manually manage Form I-9, the greatest savings and efficiency are achieved by coupling the subscription with paperless Form I-9 management.

Electronic I-9

As with the forms discussed earlier, technology has made it possible to execute Form I-9 without the use of paper and federal regulatory agencies have embraced this technology.

U.S. Immigration and Customs Enforcement (ICE), the largest investigative arm of the Department of Homeland Security, cites several “real and potential advantages” to employers using electronic Form I-9. In addition to the cost savings associated with electronic file storage, “employers may find that electronic completion and storage renders the process less prone to error.” ICE also observes that “electronically retained Forms I-9 are more easily searchable, which is important for re-verification, quality assurance and inspection purposes”, noting that this is “especially helpful and cost-effective for large employers that have job sites across the country or that have high employee turnover rates.”¹⁰

Federally-approved technologies, such as that used by Sterling’s partner [Form I-9 Compliance](#), handle Form I-9 and all supporting documents electronically, including the collection of e-signatures in a manner compliant with the E-Sign Act. When a company names Form I-9 Compliance as their designated agent, E-Verify is seamlessly integrated with the electronic Form I-9.

Moving to a paperless process provides heightened security and efficiency, and makes I-9 compliance headaches a thing of the past.

E-FULFILLMENT

The path to a greener background checking process doesn’t have to end with choosing paperless options for employment-related forms. Resource-consciousness can extend to the choice of greener fulfillment methods for various screening services and assessments.

“Both business and consumer buyers are increasingly looking to do business with companies that share their values about protecting the environment and creating more sustainable economic growth.”

Forrester Consulting study (Op.Cit.)

⁸ U.S. Dept. of Homeland Security website http://www.dhs.gov/files/programs/gc_1185221678150.shtm

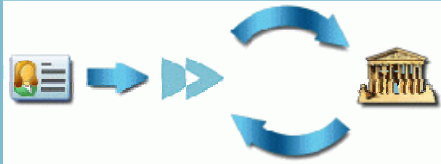
⁹ USCIS website, Op.Cit.

¹⁰ U.S. Immigrations and Customs Enforcements website <http://www.ice.gov/pi/news/factsheets/i-9employment.htm>

Forward-thinking background checking companies such as Sterling Infosystems implement paperless and energy-conscious corporate initiatives, optimize operations and fulfillment by developing more efficient fulfillment processes and best-of-breed technologies, and are always seeking new and better options for their clients.

Electronic Background Research

Leveraging electronic resources for research reaps multiple benefits. Sterling Infosystems' proprietary [Court DirectSM](#) application, for example, eliminates paper and lowers the carbon footprint of each search by eliminating the need for researchers to drive to the courthouse – all that while cutting turnaround time for Criminal History searches to a fraction of industry standard for manual research!



By utilizing electronic sources to initiate candidate employment and education verifications, screeners reduce the time and resources expended on repeated and often fruitless attempts to reach overworked registrars and personnel departments or entities that are no longer active. Paperless processes come into play here, as well. When verification sources require the exchange of Consent & Disclosure forms, transcripts, etc., companies such as Sterling Infosystems that scan and digitize supporting documentation provide service that is faster, greener and many times more secure than background checking companies that rely on faxes or traditional mail.

Paperless Chain of Custody

Companies that perform alcohol or drug testing are familiar with the concept of the Chain of Custody (aka "COC"), "the set of traceable records that provide unbroken control over a document, raw data, or a sample and its containers from initial collection to final disposal"¹¹

For employment-related substance screening, the management and distribution of traditional COC forms consumed time, paper and (shipping) fuel. Today, "with laboratory information management system (LIMS) technology development and the establishment of regulatory standards for electronic records, manual systems are being replaced by electronic ones"¹². Paperless chain of custody protocols such as [Labcorp's](#) "eChains" and [Quest Diagnostics'](#) "eReqs" enable recruiters or managers to register donors online for drug collections, thus eliminating the need for forms and streamlining the entire testing process.

Electronic OHS

To provide clients with still more opportunity for greener Occupational Health Services, Sterling Infosystems has formed an alliance with [eScreen](#), well known for their innovations in drug testing. In addition to paperless COC and donor scheduling, eScreen offers a full array of services. Clients can track donor status throughout the testing process, administer a corporate random testing program, manage an employee physical exam program, generate

¹¹ "Laboratory Information Management System Chain of Custody: Reliability and Security", by J. J. Tomlinson, W. Elliott-Smith, and T. Radosta; Journal of Automated Methods and Management in Chemistry, Hindawi Publishing Corporation; Volume 2006, <http://www.hindawi.com/journals/jammc/2006/074907.abs.html>

¹² Ibid.

compliance reports and statistics, of course, retrieve COCs and documentation of test and examination results.

Beyond this, eScreen's products include their patented revolutionary "eCup", which includes a 'smart' lid that is "sensitive to the five-test SAMHSA (Substance Abuse and Mental Health Services Administration) profile cutoff levels" and which works together with their eReader and related screening software to deliver specimen testing without human intervention¹³ in an entirely paperless and energy efficient process.

THE OTHER "GREEN"

After looking at the various ways in which paperless options can be incorporated into background checking, it becomes clear that going paperless is not merely a "nice to have" but is at the core of smart business practice.

As an article in the Houston Business Journal observed, the gains to those who go green today are "similar to the way their forward-thinking predecessors succeeded during the quality revolution."¹⁴

"Companies that weave sustainability capabilities into their organizational processes and culture are poised to profit."

Espinoza, Fust & Walker

"Companies that weave sustainability capabilities into their organizational processes and culture are poised to profit. Advantages in cost savings, positive cultural changes and a boost in management development appear."¹⁵ When selecting paperless talent management or background checking options, the immediate benefits also include increases in process efficiency, speed and data security.

As well as satisfying the bottom line and enhancing quality, such companies are positioning themselves as early adopters with the vision to compete in the new economy and thereby making themselves more attractive to both business partners and consumers. For companies ready to take that lead, paperless background checking is part of the package.

¹³ eScreen website. <http://www.escreen.com/p6.html>

¹⁴ Ibid.

¹⁵ [Big companies weaving green initiatives into corporate culture - Houston Business Journal](#), by Leo Espinoza, Shelly Fust & Lisa L. Walker; Houston Business Journal, Friday, November 30, 2007